

State of Alaska FY2010 Governor's Operating Budget

Department of Natural Resources Performance Measures

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Department of Natural Resources

Mission

Develop, conserve, and maximize the use of Alaska's natural resources consistent with the public interest.

Core Services

- Provide opportunities to utilize state land and water resources
- Acquire and provide hydrologic, geologic, geographic, historical site, and other land record and natural resource information
- Acquire land
- Make land available for sale to the public, and transfer land to municipalities
- Preserve and enhance the value of state land and water resources and Alaska's coastal areas
- Mitigate potential disasters and hazards
- Comply with federal regulations and programs related to natural resources

End Result	Strategies to Achieve End Result
<p>A: Land is made available for private, recreational, and commercial use</p> <p><u>Target #1:</u> Maintain or increase the number of jobs in the natural resources and mining industries category <u>Status #1:</u> Jobs in the natural resource and mining industries in Alaska grew to 15,100 as of June, 2008 (preliminary estimate), an increase of 1,000 jobs since June, 2007.</p> <p><u>Target #2:</u> Maintain or increase amount of state land leased for oil and gas development <u>Status #2:</u> State acreage leased for oil and gas development increased to 5.5 million in FY08, up from 5.0 million in FY07.</p> <p><u>Target #3:</u> Increase number of visits to Alaska state park units <u>Status #3:</u> Annual visits to Alaska state park units rose to 4.87 million in calendar year 2007, an increase from 4.68 million in calendar year 2006.</p> <p><u>Target #4:</u> Provide clean, safe and well-maintained park and recreational areas <u>Status #4:</u> Cost of identified maintenance needs in state park units rose to \$64.5 million in FY08, an increase of \$13.2 million over FY07.</p> <p><u>Target #5:</u> Increase private land holdings <u>Status #5:</u> DNR authorized transfer of approximately 5,856 acres of state land to private landholders in FY08 through auction and over-the-counter sales and staking of remote recreational cabin sites. This represents an</p>	<p>A1: Process applications for land and water use in a timely and user-friendly manner</p> <p><u>Target #1:</u> Reduce the number of unprocessed claim, permit and lease applications for land and water use <u>Status #1:</u> The number of unprocessed claim, permit and lease applications for land and water use totaled 3,510 at the end of FY08, up from 2,485 at the end of FY07.</p> <p>A2: Increase maintenance efforts in state park units</p> <p><u>Target #1:</u> Decrease the amount of deferred maintenance in state park units by \$7.0 million per year <u>Status #1:</u> The cost of identified maintenance needs in state park units rose to an estimated \$64.5 million in FY08, an increase of \$13.2 million over FY07.</p> <p>A3: Sell land to the public</p> <p><u>Target #1:</u> 50% or more of new parcels offered are sold <u>Status #1:</u> Of the 426 new parcels offered for sale in FY08, 66% were sold or authorized for sale.</p> <p>A4: Acquire land from the federal government under the Statehood entitlement authority</p> <p><u>Target #1:</u> Complete the acquisition of land from the federal government under the Statehood entitlement authority. <u>Status #1:</u> Acquired 2.2 million of the 11.7 million acres that the state has yet to receive from the federal government under the Statehood entitlement authority.</p>

increase of 11% over FY07.	
End Result	Strategies to Achieve End Result
B: State revenue is generated <u>Target #1:</u> Maintain or increase state revenue generated from state land use and sales <u>Status #1:</u> Directly generated \$3.37 billion in state revenue in FY08 from oil and gas production royalties and non-petroleum sources, up from \$2.18 billion in FY07.	B1: Make land available for oil and gas development <u>Target #1:</u> Maintain or increase amount of state land leased for oil and gas development <u>Status #1:</u> Total state acreage leased for oil and gas development increased to 5.4 million in FY08, up from 5.0 million in FY07. B2: Process applications for land and water use in a timely and user-friendly manner <u>Target #1:</u> Reduce the number of unprocessed claim, permit and lease applications for land and water use <u>Status #1:</u> The number of unprocessed claim, permit and lease applications for land and water use totaled 3,510 at the end of FY08, up from 2,485 at the end of FY07.
End Result	Strategies to Achieve End Result
C: Value of state land and water resources is preserved <u>Target #1:</u> Maintain positioning of resources needed to provide adequate initial attack coverage for response to wildland fires <u>Status #1:</u> Maintained positioning of resources needed to provide adequate initial attack response for wildland fires <u>Target #2:</u> Maintain 100% compliance with federal regulations and programs. <u>Status #2:</u> Maintained compliance with federal regulations and programs	C1: Position firefighting resources to contain most wildland fires through initial attack <u>Target #1:</u> Maintain adequate coverage for response to wildland fires <u>Status #1:</u> Positioning of resources to contain most wildland fires through initial attack was maintained in FY08.

Major Activities to Advance Strategies

- See individual components

FY2010 Resources Allocated to Achieve Results

FY2010 Department Budget: \$136,421,000

Personnel:

Full time	780
Part time	246
Total	1,026

Performance

A: Result - Land is made available for private, recreational, and commercial use

Target #1: Maintain or increase the number of jobs in the natural resources and mining industries category

Status #1: Jobs in the natural resource and mining industries in Alaska grew to 15,100 as of June, 2008 (preliminary estimate), an increase of 1,000 jobs since June, 2007.

Number of Jobs in the Natural Resources and Mining Industries

Fiscal Year	YTD Total
FY 2008	15,100 +7.09%
FY 2007	14,100 +11.63%
FY 2006	12,631 +18.05%
FY 2005	10,700 +5.94%
FY 2004	10,100

Target #2: Maintain or increase amount of state land leased for oil and gas development

Status #2: State acreage leased for oil and gas development increased to 5.5 million in FY08, up from 5.0 million in FY07.

Acres of State Land Leased for Oil and Gas Development

Fiscal Year	YTD Total
FY 2008	5,500,000 +10%
FY 2007	5,000,000 +28.21%
FY 2006	3,900,000 -2.5%
FY 2005	4,000,000 -13.04%
FY 2004	4,600,000 0%
FY 2003	4,600,000

Analysis of results and challenges: The amount of state land under lease for oil and gas development over the past six years has remained fairly constant or gradually increased except for FY05 and FY06. The decreases were due to an increase of lease expirations and relinquishments by producers due in part to the termination of the Shallow Natural Gas Program that was eliminated by the Legislature in 2004. In addition, a number of conventional leases were relinquished as a result of company mergers. These relinquishments were unanticipated and beyond the control of the Department of Natural Resources; however, relinquished acreage will be reoffered for lease.

Target #3: Increase number of visits to Alaska state park units

Status #3: Annual visits to Alaska state park units rose to 4.87 million in calendar year 2007, an increase from 4.68 million in calendar year 2006.

Annual Visits to Alaska State Park Units

Year	YTD Total
2008	Unavailable
2007	4,874,635 +4.21%
2006	4,677,601 +5.95%
2005	4,414,994 +4.17%
2004	4,238,417 -1.44%
2003	4,300,513

Target #4: Provide clean, safe and well-maintained park and recreational areas

Status #4: Cost of identified maintenance needs in state park units rose to \$64.5 million in FY08, an increase of \$13.2 million over FY07.

Fiscal Year	YTD Total
FY 2008	64,500,000 +25.73%
FY 2007	51,300,000 +4.69%
FY 2006	49,000,000 +13.16%
FY 2005	43,300,000 0%
FY 2004	43,300,000

Target #5: Increase private land holdings

Status #5: DNR authorized transfer of approximately 5,856 acres of state land to private landholders in FY08 through auction and over-the-counter sales and staking of remote recreational cabin sites. This represents an increase of 11% over FY07.

Fiscal Year	YTD Total
FY 2008	5,856 +11.63%
FY 2007	5,246

Methodology: Remote Recreational Cabin Sites sold in FY08 are currently being staked, so part of the acreage number for FY08 is a projection. "Sold" means staking authorization was issued. It can take 3-4 years to complete a purchase and transfer title, depending on the type of sale.

A1: Strategy - Process applications for land and water use in a timely and user-friendly manner

Target #1: Reduce the number of unprocessed claim, permit and lease applications for land and water use

Status #1: The number of unprocessed claim, permit and lease applications for land and water use totaled 3,510 at the end of FY08, up from 2,485 at the end of FY07.

Number of Unprocessed Claim, Permit, and Lease Applications

Fiscal Year	YTD Total
FY 2008	3,374 +5.47%
FY 2007	3,199

A2: Strategy - Increase maintenance efforts in state park units

Target #1: Decrease the amount of deferred maintenance in state park units by \$7.0 million per year

Status #1: The cost of identified maintenance needs in state park units rose to an estimated \$64.5 million in FY08, an increase of \$13.2 million over FY07.

Cost of identified maintenance needs in state park units (in millions)

Fiscal Year	YTD Total
FY 2008	64.5 +25.73%
FY 2007	51.3 +4.69%
FY 2006	49 +13.16%
FY 2005	43.3

A3: Strategy - Sell land to the public

Target #1: 50% or more of new parcels offered are sold

Status #1: Of the 426 new parcels offered for sale in FY08, 66% were sold or authorized for sale.

Percentage of New Parcel Offerings That Were Sold

Fiscal Year	YTD Total
FY 2008	66%
FY 2007	70%
FY 2006	63%
FY 2005	61%
FY 2004	76%
FY 2003	10%

A4: Strategy - Acquire land from the federal government under the Statehood entitlement authority

Target #1: Complete the acquisition of land from the federal government under the Statehood entitlement authority.

Status #1: Acquired 2.2 million of the 11.7 million acres that the state has yet to receive from the federal government under the Statehood entitlement authority.

Number of Acres Acquired as per Statehood Entitlement

Fiscal Year	YTD Total
FY 2008	2,249,399 +15.18%
FY 2007	1,953,022 +32.72%
FY 2006	1,471,509 +4972.59%
FY 2005	29,009 -71.75%
FY 2004	102,695

Analysis of results and challenges: Land transfers from the federal government to the State of Alaska increased significantly in FY06 as a result of the federal government's Alaska Land Transfer Acceleration Act signed by President Bush in December 2004. The goal is to expedite the fulfillment of land entitlements as per the Alaska Statehood Act and ANILCA. The state supported the federal effort by adding personnel to review conveyance documents and receive title. Tentative transfer approvals placing the remaining entitlements under state management should be completed by the end of 2012. It will take decades to complete associated surveys and title transfers.

B: Result - State revenue is generated

Target #1: Maintain or increase state revenue generated from state land use and sales

Status #1: Directly generated \$3.37 billion in state revenue in FY08 from oil and gas production royalties and non-petroleum sources, up from \$2.18 billion in FY07.

State Revenue Generated from Oil and Gas Production Royalties and Non-Petroleum Sources

Fiscal Year	YTD Total
FY 2008	3,369,407,300 +54.25%
FY 2007	2,184,394,300 -9.61%
FY 2006	2,416,663,100 +24.78%
FY 2005	1,936,750,000 +34.13%
FY 2004	1,443,980,700

B1: Strategy - Make land available for oil and gas development

Target #1: Maintain or increase amount of state land leased for oil and gas development

Status #1: Total state acreage leased for oil and gas development increased to 5.4 million in FY08, up from 5.0 million in FY07.

Acres of State Land Leased for Oil and Gas Development (millions of acres)

Fiscal Year	YTD Total
FY 2008	5.5 +3.77%
FY 2007	5.3 +35.9%
FY 2006	3.9 -2.5%
FY 2005	4.0 -13.04%
FY 2004	4.6 0%
FY 2003	4.6

Analysis of results and challenges: The amount of state land under lease for oil and gas development over the past six years has remained fairly constant or gradually increased except for FY05 & FY06. The decreases were due to an increase of lease expirations and relinquishments by producers due in part to the termination of the Shallow Natural Gas program that was eliminated by the Legislature in 2004. In addition, a number of conventional leases were relinquished as a result of company mergers. These relinquishments were unanticipated and beyond the control of DNR; however, relinquished acreage will be reoffered for lease.

B2: Strategy - Process applications for land and water use in a timely and user-friendly manner

Target #1: Reduce the number of unprocessed claim, permit and lease applications for land and water use

Status #1: The number of unprocessed claim, permit and lease applications for land and water use totaled 3,510 at the end of FY08, up from 2,485 at the end of FY07.

Number of Unprocessed Claims, Permits, and Lease Applications

Fiscal Year	YTD Total
FY 2008	3,374 +5.47%
FY 2007	3,199

C: Result - Value of state land and water resources is preserved

Target #1: Maintain positioning of resources needed to provide adequate initial attack coverage for response to wildland fires

Status #1: Maintained positioning of resources needed to provide adequate initial attack response for wildland fires

Percentage of Units in which Initial Attack Resources were Adequate

Fiscal Year	YTD Total
FY 2008	100 0%
FY 2007	100 0%
FY 2006	100 0%
FY 2005	100 0%
FY 2004	100

Target #2: Maintain 100% compliance with federal regulations and programs.

Status #2: Maintained compliance with federal regulations and programs

Year	YTD Total
2008	100%
2007	100%
2006	100%
2005	100%

C1: Strategy - Position firefighting resources to contain most wildland fires through initial attack

Target #1: Maintain adequate coverage for response to wildland fires

Status #1: Positioning of resources to contain most wildland fires through initial attack was maintained in FY08.

Percentage of Units in which Initial Attack Resources were Adequate

Fiscal Year	YTD Total
FY 2008	100 0%
FY 2007	100 0%
FY 2006	100 0%
FY 2005	100 0%
FY 2004	100

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

Generate state revenue and provide economic opportunities through state land and water resource use

Oil and gas exploration and development

State pipeline coordinator and the joint pipeline office

Large project permitting

Issuance of claims, permits and leases

Title acquisition and defense

Water development

Acquire and provide information to support natural resource use and development decisions, and to attract industry

Land records and information resource management

Geological and geophysical resource information

State historic preservation

Make land available for private, recreational, and commercial use

Land sales and municipal entitlements

Land acquisitions

Right-of-way assertions and litigation

Mitigate potential disasters and hazards

Fire suppression preparedness and activity

Petroleum systems integrity

Protect and enhance the value of state land and water resources and Alaska's coastal areas

Coastal and ocean management

Forest management and development

Provide opportunities for outdoor enjoyment and recreation on state land

State park, recreation and historical area management

Provide support for the agricultural industry

Agricultural development services and programs

Soil and water conservation districts

Ensure adequate management, support services, facilities and infrastructure for operational activities

Commissioner's office

Administrative services

Public information and services office

Other services and programs

Manage Mental Health Trust real estate assets

State recorder's office - Maintain the public record of land ownership

Citizen's Advisory Commission on Federal Areas – Assist the public with issues related to federal land use policies and activities

Resource Development Results Delivery Unit**Contribution to Department's Mission**

See specific information at component level.

Core Services

- This RDU contains many disparate functions and each is defined at the component level. See specific information at component level.

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: \$92,373,200

Personnel:

Full time 648

Part time 26

Total 674

Component: Commissioner's Office

Contribution to Department's Mission

To provide policy direction and support to each of the divisions within the department to achieve the Department's mission.

Core Services

- Provide policy and management direction to the DNR divisions, resource policy advice to the Governor and the Cabinet, and resource information to the Legislature. Line authority is exercised to oversee and facilitate the wise use, development and conservation of state owned land, water, timber, mineral, oil and gas, agricultural and recreational resources.
- Foster inter-divisional and inter-departmental cooperation, assist in developing and monitoring legislation, and carefully consider any citizen appeals of divisional decisions.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$1,063,400

Personnel:

Full time	8
Part time	0
Total	8

Component: Administrative Services

Contribution to Department's Mission

To provide effective and efficient administrative services to departmental employees and programs in order to maximize public service

Core Services

- Budget preparation, tracking, and presentations
- Procurement, Property & Facilities management, and Risk Management
- Expenditure payment, accounting, structures, and reporting
- Revenue billing and accounting

Major Activities to Advance Strategies

- | | |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------|
| • Budget preparation and monitoring | • Procurement and property management |
| • Resource revenue collection and billings | • Legislative hearing support and testimony |
| • Office lease administration | • Compliance with statutory, regulatory, administrative, and professional requirements |
| • Restricted revenue accounting, billing, and collections | • Management and supervision of department administrative support functions |
| • Accounting structure and report management | |

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,541,300

Personnel:

Full time	29
Part time	1
Total	30

Component: Information Resource Management

Contribution to Department's Mission

To provide data processing services and graphic land records to the Department of Natural Resources (DNR), and to assure public access to information and on-line government services.

Core Services

- Create and maintain the state status plat maps that display location and distribution of state lands, property rights, and active DNR business cases and projects.
- Create, maintain, and upgrade DNR business transaction systems via a centralized database of land management activity; including case, customer, revenue and billing, location, Recordings, Uniform Commercial Code, and electronic document management.
- Create and maintain the centralized DNR Geographic Information Systems databases and maps used for policy, planning, and land management decisions.
- Build and maintain the primary DNR public access web pages and Internet portals that support millions of public use searches into department databases.
- Provide computer support, networking, email access, data storage, security, server administration, disaster recovery, help desk and other information technology services to DNR.
- Deliver internet-ready business systems to simplify the process of working with government on resource development projects.

End Result	Strategies to Achieve End Result
<p>A: DNR business processes are efficiently automated and easy to use by customers, both internal and external. Productivity increases for staff. A positive environment for economic investment is created; applicants know what is expected.</p> <p><u>Target #1:</u> All DNR business transactions and permit applications can be conducted electronically. <u>Status #1:</u> At the end of FY08, DNR had 16 on-line business services, out of an estimated total of 200. See the web site below for a cumulative view of progress toward the goal.</p> <p><u>Target #2:</u> 99.9% availability of DNR information systems at any time of day, or day of the year, excluding scheduled downtime for maintenance. <u>Status #2:</u> 2008 shows 364 operational days for the year. Increased availability of DNR information systems improves public service and raises productivity of DNR staff.</p> <p><u>Target #3:</u> Raise productivity per cartographer to 2,000 of cases completed per year reflecting benefits of automation. <u>Status #3:</u> The new platting system continues to return value by raising the amount of work each cartographer is</p>	<p>A1: The DNR staff have fast, efficient, and standards-based personal computers to accomplish their jobs.</p> <p><u>Target #1:</u> Maintain a ratio of less than 1% of tech support for department customers. <u>Status #1:</u> The ratio of IT network and desktop support staff to full time staff is about 1%. This low cost ratio is made possible by DNR and State IT Standards.</p> <p>A2: Computerized systems are designed to support and enhance the business processes defined by statute, regulation, and management.</p> <p><u>Target #1:</u> Automate four business processes per year and put on-line for customers and staff. <u>Status #1:</u> FY09: 1st quarter placed BLM-2009 Component of Realty Services in production for Content Management System. Updated Uniform Commercial Code e-filing process for efficiency.</p>

able to achieve. The increase in productivity is offset by the increased volume of work coming in from the department. There is a growing backlog.	
End Result	Strategies to Achieve End Result
<p>B: State Land Records and data are maintained, protected from natural disaster, and made publicly accessible.</p> <p><u>Target #1:</u> Reduce the total backlog of pending actions by 5% per year with the aim to have less than 1,000 pending actions.</p> <p><u>Status #1:</u> We are falling behind on this measure as a result of the plat conversion requirement of black and white to color.</p> <p><u>Target #2:</u> A tested disaster recovery plan has been prepared and is ready to execute if so ordered.</p> <p><u>Status #2:</u> Our goal is to prepare a disaster recovery plan in FY10 as part of the DNR IT Infrastructure CIP which was partially funded in FY09.</p>	<p>B1: Automate update processes to DNR land records web site to assure current information is available for staff decision making.</p> <p><u>Target #1:</u> Utilize data entry at State Records Office to eliminate duplicate entry into Land Administration System (LAS) Mainframe System for mining claims, plats (surveys), and state deeds.</p> <p><u>Status #1:</u> DNR-LRIS programmers have automated linkage of the following transactions: Document Recorded (DR) Plat Filed (PF) Conveyance Recorded (CR) These transactions have generated automated links to over 60,000 transactions in the Land Administration, primarily in Title and Mining Case Files.</p>
End Result	Strategies to Achieve End Result
<p>C: Public can conduct business or query DNR databases without requiring staff intervention; lower the cost of doing business with DNR via automation.</p> <p><u>Target #1:</u> Accommodate a 10% annual increase per year for hits on our web sites, number of terabytes of data downloads, and the average of number of visits per day.</p> <p><u>Status #1:</u> 2008 shows steady growth of public use of DNR web pages and on-line business applications. 6% growth in total number of hits; and 3% growth in total volume of data accessed. Increased web usage demonstrates improved public service and raises productivity of DNR staff.</p>	<p>C1: Allow the public to complete on-line forms or make reservations and submit with payment at their convenience; save DNR staff time by reducing data entry requirements.</p> <p><u>Target #1:</u> 80% of all burn permits issued via the internet system.</p> <p><u>Status #1:</u> FY07 & FY08: Program changes nullified the base for this metric.</p> <p>FY2006: Permit number increased to over 4,000. Work begins on integrating Fairbanks methods using borough parcel ownership information to help locate permitted site and confirm permit owner.</p> <p>FY2005: Over 3,500 permits issued using the new internet system. Mat-Su, Palmer, and Kenai are areas of highest use.</p> <p>FY2004: Over 3,000 burn permits total, 38% were internet based. Savings to Div. of Forestry was 200 hours; customer satisfaction higher because of convenience.</p> <p><u>Target #2:</u> 80% Reduction in Uniform Commercial Code (UCC) paper filings by implementing on-line UCC interactive process.</p> <p><u>Status #2:</u> 50% of the UCC filings is now submitted through the internet.</p> <p><u>Target #3:</u> Execute 90% of State Parks Cabin Reservations over the self-help internet web site.</p>

	Status #3: About 90% of all cabin rentals are completed over the Internet. Average projected savings to DNR is about 4 days of labor per month. Significant savings to public reduces travel time and scheduling constraints (24 hr availability for internet).
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Major Activities to Advance Strategies

- Strategic planning for IT projects for DNR.
- Leveraging staff and technology across projects
- Collaboration with other State, Federal, Local Government, and Native groups
- Position DNR as a leader in GIS applications
- Provide central desktop support through use of standards and remote software applications
- Provide business applications through WEB based technologies
- Set standards for classifications and legends for Status Plats
- Provide data base management and reduction of duplication

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$3,412,000

Personnel:

Full time	30
Part time	0
Total	30

Performance

A: Result - DNR business processes are efficiently automated and easy to use by customers, both internal and external. Productivity increases for staff. A positive environment for economic investment is created; applicants know what is expected.

Target #1: All DNR business transactions and permit applications can be conducted electronically.

Status #1: At the end of FY08, DNR had 16 on-line business services, out of an estimated total of 200. See the web site below for a cumulative view of progress toward the goal.

Analysis of results and challenges: At the end of FY08, DNR had 16 on-line business services, out of an estimated total of 200. See the web site below for a cumulative view of progress toward the goal.

Target #2: 99.9% availability of DNR information systems at any time of day, or day of the year, excluding scheduled downtime for maintenance.

Status #2: 2008 shows 364 operational days for the year. Increased availability of DNR information systems improves public service and raises productivity of DNR staff.

ESTIMATED HOURS OF SYSTEM UPTIME

Year	HRS UPTIME	% UPTIME	DAYS UP
2008	8,724	99.6%	364
2007	8,707	99.4%	363
2006	8,672	99.0%	361
2005	8,610	98.3%	359
2004	8,630	98.5%	360
2003	8,680	99.1%	362
2002	8,680	99.1%	362
2001	8,660	98.8%	361
2000	8,640	98.6%	360

Methodology: Advancing statewide security measures, ETS-DMZ plan, anti-virus, and LAN Desk software secure high ratings.

Target #3: Raise productivity per cartographer to 2,000 of cases completed per year reflecting benefits of automation.

Status #3: The new platting system continues to return value by raising the amount of work each cartographer is able to achieve. The increase in productivity is offset by the increased volume of work coming in from the department. There is a growing backlog.

Average Updates per Cartographer per Fiscal Year

Fiscal Year	# Updates	Target
FY 2008	3,147	2,200
FY 2007	1,475	2,000
FY 2006	2,041	2,000
FY 2005	1,773	1,800
FY 2004	1,715	1,800
FY 2003	1,456	1,600
FY 2002	1,559	1,600
FY 2001	2,542	2,000
FY 2000	1,368	1,400

Methodology: FY01 had large backlog of mining claims and prospecting sites processed. One time clean-up.

FY06 showing some of the automation benefits from the Core GIS Project.

FY07 decline a result of a difficult software production roll out which required significant cartographer testing slowing the update process.

The new system is in production and during July '07 the rate was over 250 updates per month.

FY08 production rates will grow when conversion to color plat format is complete (FY10 CIP; 5 dedicated Cartos on updates.

Analysis of results and challenges: Keeping the land records current is an important requirement to avoid any conflicts in the use of the land due to out dated records.

A1: Strategy - The DNR staff have fast, efficient, and standards-based personal computers to accomplish their jobs.

Target #1: Maintain a ratio of less than 1% of tech support for department customers.

Status #1: The ratio of IT network and desktop support staff to full time staff is about 1%. This low cost ratio is made possible by DNR and State IT Standards.

Network and Desktop Support Staff

Fiscal Year	DNR Full-Time Staff	Tech CIC Staff	Percent Tech
FY 2009	869	8	0.9%
FY 2008	872	8	0.9%
FY 2007	851	8	0.9%
FY 2006	766	7	0.9%
FY 2005	722	6	0.8%
FY 2004	691	6	0.9%

Methodology: Network and desktop staff in the Computer Information Center support all divisions except DGGS, Oil and Gas, and Joint Pipeline Office. Percents below 1% are well below industry standards.

Analysis of results and challenges: The ratio of IT network and desktop support staff to full time staff is about 1%. This low cost ratio is made possible by DNR and State IT Standards.

A2: Strategy - Computerized systems are designed to support and enhance the business processes defined by statute, regulation, and management.

Target #1: Automate four business processes per year and put on-line for customers and staff.

Status #1: FY09: 1st quarter placed BLM-2009 Component of Realty Services in production for Content Management System. Updated Uniform Commercial Code e-filing process for efficiency.

Business Processes Automated

Fiscal Year	DNR Process On-Line	Target
FY 2008	3	4
FY 2007	3	4
FY 2006	1	4
FY 2005	3	4
FY 2004	3	4

Methodology: See analysis for specific processes.

Analysis of results and challenges: FY09: 1st quarter place BLM-2009 Component of Realty Services in production for Content Management System. Updated UCC e-filing process for efficiency.

FY08: Placed Contract Administration Unit in production status for DNR document management system (all incoming documents scanned and indexed.) Placed Business Reporting System into production. Placed Web Mapping Services with University of Alaska into production deliver statewide imagery and mapping base maps to DNR and the public.

FY07 Delivered RS2477 document imaging system as Stellant prototype. 2nd quarter - Delivered On-line payment by checking account option (ACH-Beaches); 4th quarter - delivered automated burn permit process with new location component.

2006: 1st quarter - One new automation: All DNR recorded transactions automatically linked into Land Administration System (LAS), saves staff time, provides access to electronic recorded documents.

2005: 1) Cabin Reservations on-line; > 85% all rentals now done over the internet; 2) register commercial recreation On-line; 3) updated land sale bidding and over the counter sales system (joint project with Mining, Land and Water)

2004: 1) Uniform Commercial Code (UCC)online; ~ 15% of all UCC filings. 2) Burn Permits online. 3) New Credit Card System for internet payment.

B: Result - State Land Records and data are maintained, protected from natural disaster, and made publicly accessible.

Target #1: Reduce the total backlog of pending actions by 5% per year with the aim to have less than 1,000 pending actions.

Status #1: We are falling behind on this measure as a result of the plat conversion requirement of black and white to color.

Status Graphics Workload Analysis

Fiscal Year	Beginning Balance	New Casework	Cases Updated	Ratio Updated / New Work
FY 2009	11,251	0	0	0
FY 2008	9,856	21,340	15,737	74%
FY 2007	5,648	13,061	8,853	68%
FY 2006	5,909	11,990	12,251	102%
FY 2005	4,898	11,651	10,640	91%
FY 2004	3,483	15,132	13,717	91%
FY 2003	8,633	12,001	17,151	143%
FY 2001	11,320	30,355	33,042	109%
FY 2000	16,790	13,684	19,154	140%

Analysis of results and challenges: In FY2007 Status Graphics placed a new state platting system into production. Staff testing reduced ability to maintain updates at normal rates. Production for FY2008 should return to normal, even with conversion requirements for black and white to color.

Currently, the oldest pending action is about 12 months. With the new system we aim to make this 90 days over the next three years.

Target #2: A tested disaster recovery plan has been prepared and is ready to execute if so ordered.

Status #2: Our goal is to prepare a disaster recovery plan in FY10 as part of the DNR IT Infrastructure CIP which was partially funded in FY09.

B1: Strategy - Automate update processes to DNR land records web site to assure current information is available for staff decision making.

Target #1: Utilize data entry at State Recorders Office to eliminate duplicate entry into Land Administration System (LAS) Mainframe System for mining claims, plats (surveys), and state deeds.

Status #1: DNR-LRIS programmers have automated linkage of the following transactions:

Document Recorded (DR)

Plat Filed (PF)

Conveyance Recorded (CR)

These transactions have generated automated links to over 60,000 transactions in the Land Administration, primarily in Title and Mining Case Files.

Automated Links from Recording to Land Administration System

Fiscal Year	Doc Rec Links	Plat Filed
FY 2007	11,725	114
FY 2006	52,489	162

Methodology: Table reports on the numbers of automated transactions created by having a document recorded. Over 50,000 DNR transactions eliminate duplicate data entry in the Land Administration System (LAS). Plat Filed (PF) eliminates duplicate scanning and document handling costs.

Analysis of results and challenges: DNR-LRIS programmers have automated linkage of the following transactions:
Document Recorded (DR)

Plat Filed (PF)

Conveyance Recorded (CR)

These transactions have generated automated links to over 60,000 transactions in the Land Administration, primarily in Title and Mining Case Files.

C: Result - Public can conduct business or query DNR databases without requiring staff intervention; lower the cost of doing business with DNR via automation.

Target #1: Accommodate a 10% annual increase per year for hits on our web sites, number of terabytes of data downloads, and the average of number of visits per day.

Status #1: 2008 shows steady growth of public use of DNR web pages and on-line business applications. 6% growth in total number of hits; and 3% growth in total volume of data accessed. Increased web usage demonstrates improved public service and raises productivity of DNR staff.

DNR Web Sites Usage

Year	Visits / Day	Downloads - GB	Hits / Yr	% increase
2008	5,066	2890 GB	80,094,612	6%
2007	5,179	2803 GB	75,630,336	6%
2006	4,763	2513 GB	71,487,000	17%
2005	4,282	2113 GB	61,256,646	38%
2004	3,468	641 GB	44,507,108	0

Methodology: Calendar year 2008 based on projection of mid-year data.

Analysis of results and challenges: 2008 shows steady growth of public use of DNR web pages and on-line business applications. 6% growth in total number of hits; and 3% growth in total volume of data accessed. Increased web usage demonstrates improved public service and raises productivity of DNR staff.

C1: Strategy - Allow the public to complete on-line forms or make reservations and submit with payment at their convenience; save DNR staff time by reducing data entry requirements.

Target #1: 80% of all burn permits issued via the internet system.

Status #1: FY07 & FY08: Program changes nullified the base for this metric.

FY2006: Permit number increased to over 4,000. Work begins on integrating Fairbanks methods using borough parcel ownership information to help locate permitted site and confirm permit owner.

FY2005: Over 3,500 permits issued using the new internet system. Mat-Su, Palmer, and Kenai are areas of highest use.

FY2004: Over 3,000 burn permits total, 38% were internet based. Savings to Div. of Forestry was 200 hours; customer satisfaction higher because of convenience.

Burn Permits Issued Via the Internet

Year	# of Permits	%
2006	4,730	70%
2005	3,500	45%
2004	3,000	38%

Methodology: Increasing use of on-line permit system saves time in State Forestry Offices.

Analysis of results and challenges: FY07 & FY08: Program changes nullified the base for this metric.

FY2006: Permit number increased to over 4,000. Work begins on integrating Fairbanks methods using borough parcel ownership information to help locate permitted site and confirm permit owner.

FY2005: Over 3,500 permits issued using the new internet system. Mat-Su, Palmer, and Kenai are areas of highest use.

FY2004: Over 3,000 burn permits total, 38% were internet based. Savings to Division of Forestry was 200 hours; customer satisfaction higher because of convenience.

Target #2: 80% Reduction in Uniform Commercial Code (UCC) paper filings by implementing on-line UCC interactive process.

Status #2: 50% of the UCC filings is now submitted through the internet.

UCC Filings Made Over the Internet

Fiscal Year	Percent of Filings
FY 2008	50%
FY 2007	49%
FY 2006	50%
FY 2005	20%
FY 2004	5%

Methodology: Recorder's Office marketed this automated service to their key institutional customers in FY06.

High adoption rate by banks and other industry groups, low adoption rate by general public.

Analysis of results and challenges: Automated UCC filings reduce the cost to the state by eliminating the need for most data entry. The process is more efficient for applicant once setup; eliminates paper handling and filing costs. System meets national standards.

Target #3: Execute 90% of State Parks Cabin Reservations over the self-help internet web site.

Status #3: About 90% of all cabin rentals are completed over the Internet. Average projected savings to DNR is about 4 days of labor per month. Significant savings to public reduces travel time and scheduling constraints (24 hr availability for internet).

Percent of Cabin Reservation Made On-Line

Year	% of Reservations	Target
2007	91%	90
2006	84%	85
2005	85%	85
2004	70%	75

Methodology: Calendar year 2007 had 3,778 rentals with 3,468 made on the website.

Analysis of results and challenges: Average projected savings to DNR is about 4 days of labor per month. Significant savings to public reduces travel time and scheduling constraints (24 hr availability for internet).

Component: Oil & Gas Development

Contribution to Department's Mission

The Division of Oil and Gas manages oil and gas lands in a manner that assures both responsible oil and gas exploration and development and maximum revenues to the state.

Core Services

- Make prospective lands available for oil and gas exploration, development, and production on a predictable basis.
- Administer conventional oil and gas leases and exploration licenses, as well as exploration incentive programs.
- Maximize the economic and physical recovery of hydrocarbon resources through unitized or cooperative operations, exploration, and development.
- Ensure that the state receives full value from the extraction and sale of state oil and gas resources.
- Develop marketing strategies and negotiate agreements for the sale of royalty oil and gas to provide in-state benefits and revenue enhancements.
- Ensure that bonus, rental, license fees, net profit, and royalty payments are correct, allocated to the proper revenue fund, and received when due.
- Ensure that shared federal bonus, rent, and royalty revenues are properly received and allocated to the proper revenue fund.
- Ensure that exploration, leasehold, and unit-related operations are conducted in a timely and environmentally sound manner.
- Provide technical and policy support for the Alaska congressional delegation, the governor's office, the legislature, and the commissioner of DNR.
- Provide publicly available existing and new oil and gas related information to technical users, the general public, and the press through technical publications, informational pamphlets, the web site, or personal contact.
- Advocate responsible oil and gas development throughout the state.
- Adjudicate exploration and development permits effectively and maintain a proactive inspection program.
- Ensure that the state's resource ownership interests are effectively represented in the AGIA process.
- Evaluate the geological, geophysical, and engineering aspects of unit and participating area applications and calculate tract factors to determine the state's royalty share.

End Result	Strategies to Achieve End Result
<p>A: Encourage Exploration and Development.</p> <p><u>Target #1:</u> Maintain 3,600,000 acres or more under lease during fiscal year. <u>Status #1:</u> FY08: 5.5 million acres are under lease.</p> <p><u>Target #2:</u> Maintain 1,500,000 acres or more under exploration license during fiscal year. <u>Status #2:</u> The acreage under exploration license in 2008 was 1,300,000.</p> <p><u>Target #3:</u> Maximize number of new exploration wells permitted in fiscal year. <u>Status #3:</u> In FY08 Twenty Plans of Operations were issued. Of those five wells were drilled and 100% of those inspected.</p>	<p>A1: Hold regularly scheduled lease sales.</p> <p><u>Target #1:</u> Five sales held on schedule in accordance with the Five-Year Oil and Gas Leasing Program. <u>Status #1:</u> Four lease sales were held in FY08, one short of the target because no bids were received on the fifth sale.</p> <p>A2: Promptly issue leases and licenses without compromising legal integrity of the lease or license.</p> <p><u>Target #1:</u> Leases awarded within nine months of lease sale. <u>Status #1:</u> Leases resulting from North Slope 2007 and Beaufort Sea 2007 lease sales were awarded within 8 months; leases from North Slope Foot Hills 2008 lease sale were awarded within 6 months; and leases from the</p>

	<p>Cook Inlet 2008 lease sale were awarded within 3 months.</p> <p><u>Target #2:</u> Licenses awarded within 18 months. <u>Status #2:</u> Two exploration license applications received in FY07; Crooked Creek and Houston are in progress. The Healy Exploration License application remains "on hold."</p> <p>A3: Actively market and evaluate Alaska's oil and gas potential.</p> <p><u>Target #1:</u> Two new companies actively exploring in Alaska per fiscal year. <u>Status #1:</u> No new operators acquired geophysical data or drilled wells in Alaska in FY08.</p> <p>A4: Evaluate new areas for oil and gas exploration and development prior to a final best interest finding.</p> <p><u>Target #1:</u> Evaluate 100 percent of proposed sale/exploration license areas. <u>Status #1:</u> 100% of the areas was completed.</p> <p>A5: Efficiently adjudicate exploration permits.</p> <p><u>Target #1:</u> 100 percent of exploration permits issued within the timelines set by the Alaska Coastal Management Program during fiscal year. <u>Status #1:</u> 100% of exploration permits were issued with the timeline.</p>
End Result	Strategies to Achieve End Result
<p>B: Maximize benefits of development and production to the state.</p> <p><u>Target #1:</u> Five percent maximum decrease in statewide oil and gas production from previous fiscal year. <u>Status #1:</u> In FY08 there was a 2.1% drop in oil production and a 2.2% drop in gas production.</p>	<p>B1: Efficiently adjudicate development permits.</p> <p><u>Target #1:</u> 100 percent of development permits issued within the timelines set by the Alaska Coastal Management Program during fiscal year. <u>Status #1:</u> 100% of development permits were issued within the timeline.</p> <p>B2: Promptly adjudicate completed lease assignments.</p> <p><u>Target #1:</u> 100 percent of lease assignments adjudicated within 15 working days. <u>Status #1:</u> 27.5% was adjudicated within 15 working days.</p> <p>B3: Keep up with the increasing numbers of unit-related decisions (plans of exploration/development/Participating Areas (PA)).</p> <p><u>Target #1:</u> 90 percent of unit/participating area decisions issued within 90 days.</p>

	<p>Status #1: 85% of decisions were negotiated and issued within 90 days.</p> <p>B4: Negotiate new unit agreements or modifications to current unit agreements that accelerate exploration and development and maximize the economic benefit to the state.</p> <p>Target #1: Negotiate two unit agreements per fiscal year that provide for accelerated exploration and development.</p> <p>Status #1: In FY08 eight new PA's were approved.</p> <p>B5: Perform inspections of oil and gas operations.</p> <p>Target #1: 100 percent of seismic, exploratory, and production operations inspected every three years.</p> <p>Status #1: Ninety-five percent of new physical activities were inspected.</p>
End Result	Strategies to Achieve End Result
<p>C: Maximize non-tax revenue from state oil and gas production.</p> <p>Target #1: \$ 1.6 billion</p> <p>Status #1: \$3.4 billion estimated non-tax revenue received in FY08 for state production of oil and gas, up from \$2.16 in FY07.</p>	<p>C1: Ensure that the state receives the best negotiated value in the sale of its royalty-in-kind (RIK) oil and gas.</p> <p>Target #1: Receive \$.30 per barrel more from RIK as opposed to royalty-in-value (RIV).</p> <p>Status #1: 100% Compliance</p> <p>C2: Conduct timely audits.</p> <p>Target #1: Complete four royalty audits each fiscal year.</p> <p>Status #1: Ten audits were completed in FY08.</p> <p>C3: Ensure that the state receives full value for oil and gas royalty-in-value (reopeners).</p> <p>Target #1: 100 percent of reopeners increase value.</p> <p>Status #1: 100% of the target was met.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> Local Government outreach - Mat-Su, North Slope, Alaska Peninsula, Healy, and Nenana; process familiarization, development of MOU's. Oil and gas advocacy - independents, new entrants and new areas in the state Evaluate frontier and producing basins; pursue gas hydrates, shallow biogenic gas, and tight gas sands Ensure full value for the state's oil and gas resources Evaluate requests for royalty-in-kind sales Timely and accurate oil and gas royalty accounting Conduct timely audits of royalty and net profit share lease audits 	<ul style="list-style-type: none"> Evaluate requests for unitization of oil and gas leases Active inspection program for permit and system integrity compliance Timely permitting Respond to requests for exploration licensing - All areas Hold regular competitive, area wide lease sales Encourage leasing of federal onshore and offshore lands in a manner most beneficial to the state Process royalty modification applications in a manner that maximizes value to the state

Major Activities to Advance Strategies

- Timely processing of lease assignments

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$14,817,000

Personnel:

Full time 98

Part time 0

Total 98

Performance

A: Result - Encourage Exploration and Development.

Target #1: Maintain 3,600,000 acres or more under lease during fiscal year.

Status #1: FY08: 5.5 million acres are under lease.

Acres under lease

Year	YTD Total
2008	5.5 million
2007	5.3 million
2006	3.9 million
2005	4.0 million
2004	4.6 million

Analysis of results and challenges: FY08: Acreage expiring or relinquished is being reacquired or replaced with other acreage. In the last five lease sales: 69 tracts sold; 74 total bids; 14 different bidders; and \$4,695,603 million in high bids. Of the total number of bid received 15 were forfeited for failure to timely pay the remainder of the bid amount (13 are under appeal).

The North Slope ten-year best interest finding was finalized in time for the 2008 lease sale. The ten-year best interest finding process for the Beaufort Sea sale areas has been initiated and is on schedule to be finalized in time to be approved before the 2009 sale. The Mount Spurr Geothermal preliminary best interest finding was completed during this reporting period with the final best interest finding schedule for early FY09 in time for a September 2008 sale.

FY07: Leased acreage expiring or relinquished was reacquired or replaced with other acreage. In the last five lease sales: 103 tracts sold; 123 total bids; 17 different bidders; and \$5.9 million in high bids. Without continued budget resources, acreage under lease will drop.

Target #2: Maintain 1,500,000 acres or more under exploration license during fiscal year.

Status #2: The acreage under exploration license in 2008 was 1,300,000.

Acres under license

Year	YTD Total
2008	1.3 million
2007	1.3 million
2006	1.3 million
2005	1.7 million
2004	1.6 million
2003	1.6 million

Analysis of results and challenges: FY08: The Healy Basin exploration license preliminary best interest finding has been completed with the final to be issued in the first half of 2009. Two exploration license requests received during FY07 are under review: Houston and Crooked Creek. The best interest finding for the geothermal exploration license application in the Augustine Island area is under review.

FY07: The Healy Basin license is still on hold, at applicant request. Two new exploration license requests have been received and are under review: Houston and Crooked Creek. The Copper River Basin license has been converted to conventional oil and gas leases, due to be issued soon. The division received no new license proposals in FY05 or FY06. DNR rejected the Holitna license converted under AS 38.05.177 in FY05. These lower potential, higher risk areas require more outreach, promotion and availability of public data.

FY06: Consideration of a 208,000 acre exploration license in the Healy Basin has been delayed at the request of the applicant. Also, there was a decrease in acreage due to expiration of the Copper River Basin license. Ten percent of the Copper River Basin license is being converted to conventional oil and gas leases. The Division of Oil & Gas (O&G) received no new license proposals in FY05 or FY06. DNR rejected the Holitna license converted under AS 38.05.177 in FY05. These lower potential, higher risk areas require more outreach, promotion and availability of public data.

In FY05, O&G completed the title work, best interest finding and public process for the Bristol Bay Exploration License. The license was awarded to the applicant, however, the applicant failed to execute the license. Applicants have chosen not to execute two of the last four exploration licenses awarded by O&G, a circumstance beyond DNR's control, resulting in lower licensed acreage than anticipated.

Target #3: Maximize number of new exploration wells permitted in fiscal year.

Status #3: In FY08 Twenty Plans of Operations were issued. Of those five wells were drilled and 100% of those inspected.

Analysis of results and challenges: FY07: Twenty-one exploration/delineation wells were drilled and completed on the North Slope. Of this total, six new exploration wells drilled in National Petroleum Reserve-Alaska (NPR-A); eight exploration wells drilled on state lands; and seven delineation wells on state lands in existing units (wells drilled to gather reservoir information in order to determine development strategy for shallow heavy oils sands (West Sak and Schrader Bluff formations in Nikaitchuq, West Sak, and Milne Point units) during the past fiscal year. Companies are investing in drilling delineation wells to determine the economic viability of producing heavy oil (Schrader Bluff / West Sak). No exploration wells were drilled. Aurora drilled the Endeavor well in Cook Inlet on private land. The majority of drilling in Cook Inlet involves development drilling within existing units, predominantly by Marathon and Chevron. Several exploration wells are planned in FY08 by new operators. To date there is no jack-up rig in Cook Inlet available to drill exploration wells. Pioneer is currently drilling an oil delineation well in the Cosmopolitan Unit. The division requests data for the DOR EIC program AS 43 55.025. For 06-07, the division requested data for eight exploration wells, five wells were drilled in NPR-A, and nine seismic surveys were conducted (all but one on the North Slope and most were in NPR-A. The DOR exploration incentive program has been popular with industry). As a result of the program, companies that receive credit are required to provide confidential seismic and well data to the state. The wells are released in a 24-month time frame. The seismic information becomes publicly available in 10 years. Prior to this statute there was no vehicle to release seismic data to the public.

FY06: Twenty-three exploration wells were permitted during the period; eight were drilled. The decision whether to drill the wells is beyond the control of the division. The permits were issued in a timely matter. Promoting the improved project economics under the Petroleum Profits Tax and other incentive programs should result in increased activity.

FY05: Fifteen wells drilled. Eight were completed in northern Alaska during FY05: five on state Beaufort Sea tidewater leases (one a possible oil discovery, no information yet on the others); one on a state North Slope onshore lease; and two on federal NPR-A leases. At least seven wells were completed in the Cook Inlet basin (all onshore): four on state leases; one on a Mental Health Trust(MHT) lease; and two on CIRI leases. Five of the Cook Inlet wells are classified as gas discoveries.

A1: Strategy - Hold regularly scheduled lease sales.

Target #1: Five sales held on schedule in accordance with the Five-Year Oil and Gas Leasing Program.

Status #1: Four lease sales were held in FY08, one short of the target because no bids were received on the fifth sale.

Analysis of results and challenges: 100 percent in compliance.

A2: Strategy - Promptly issue leases and licenses without compromising legal integrity of the lease or license.

Target #1: Leases awarded within nine months of lease sale.

Status #1: Leases resulting from North Slope 2007 and Beaufort Sea 2007 lease sales were awarded within 8 months; leases from North Slope Foot Hills 2008 lease sale were awarded within 6 months; and leases from the Cook Inlet 2008 lease sale were awarded within 3 months.

Analysis of results and challenges: FY08: Leases resulting from North Slope 2007 and Beaufort Sea 2007 lease sales were awarded within 8 months; leases from North Slope Foot Hills 2008 lease sale were awarded within 6 months; and leases from the Cook Inlet 2008 lease sale were awarded within 3 months.

During FY08 the division implemented a new policy of pre-adjudicating lease tracks prior to requesting title reports in order to reduce the overall processing time. The pre-adjudication combined with the below average turnout reduced the overall cycle time necessary to issue leases. In addition, the title shop within the Division of Mining Land and Water has retained qualified staff necessary to complete the title review in a timely manner.

FY07: Leases resulting from North Slope 2006A and Beaufort Sea 2006A lease sales were awarded within nine months; leases from Alaska Peninsula 2007 were awarded within five months; Cook Inlet lease 2007 lease awards are in progress.

FY06: North Slope Foothills awarded in nine months; Cook Inlet awarded in 14 months; North Slope awarded in 12 months; Beaufort Sea awarded in 10 months; Alaska Peninsula awarded in 12 months.

FY05: North Slope Foothills sale, Cook Inlet sale, Beaufort Sea sale, and North Slope sale awarded.

Target #2: Licenses awarded within 18 months.

Status #2: Two exploration license applications received in FY07; Crooked Creek and Houston are in progress. The Healy Exploration License application remains "on hold."

Analysis of results and challenges: FY08: Two exploration license applications received in FY07: Crooked Creek and Houston are in progress. The Healy Exploration License application remains "on hold."

FY07: Two exploration license applications were received in FY07; Crooked Creek and Houston. Those applications are in progress and on schedule. The Healy Exploration License application remains "on hold."

FY06: One license in process and one denied. Both are beyond the target timelines – one was problematic due to significant local opposition and minimal overall value to the state; award of the second has been delayed at the applicant's request.

FY05: Awarded Bristol Bay Exploration License 14 months after receiving application.

A3: Strategy - Actively market and evaluate Alaska's oil and gas potential.

Target #1: Two new companies actively exploring in Alaska per fiscal year.

Status #1: No new operators acquired geophysical data or drilled wells in Alaska in FY08.

Analysis of results and challenges: FY08: Pioneer produced first oil in the Kuparuk Formation in their Oooguruk field in June, 2008, marking the first time an independent oil company has produced oil into TAPS. Brooks Range drilled their Tofkat well and tested the North Shore well. Savant drilled the Kupcake well near the Endicott field.

FY07: Two new companies, ENI and Brooks Range Petroleum drilled wells as operator on the North Slope. ENI shot a small 2D seismic survey in FY06, resulting in the drilling of three wells in FY07 in the Rockflour Unit south of Kuparuk River Field. Brooks Range drilled two wells just north of the Prudhoe Bay Unit; tested one and shot outstanding seismic data in the area. It's difficult to pinpoint the reasons a company enters a basin, but the division's participation in annual conventions and other outreach programs are certainly a factor. Savant drilled its Kupcake prospect near Endicott (Liberty) this past drilling season. Even though the well was a dry hole; Savant is partnering with BP in the Badami Unit to drill several exploration wells. ENI acquired Kerr-McGee's interest in the Nikaitchuq Unit last year and drilled two delineation wells the previous winter in preparation for potential future development. ENI received royalty relief for the Nikaitchuq project and is preparing a development plan for the area. ENI is also reevaluating its Rock Flour Unit for additional prospects to drill. Chevron, who has traditionally explored and developed in the Cook Inlet Basin, drilled 3 wells in the White Hills area on the North Slope south of the Kuparuk River Unit. Anadarko drilled 2 exploration/delineation gas wells in the Gubik area near Umiat.

FY06: Four companies have entered or re-entered the Alaska market. Shell has re-entered Alaska in a big way, buying leases in the Alaska Peninsula sale and the MMS Beaufort Sea sale. ENI is now involved in Alaska. Benchmark purchased numerous leases in the Cook Inlet sale area and is pursuing exploration plans.

FY05: Three new companies are involved in Alaska.

Alaska Energy Alliance, Rutter and Wilbanks Corp., and Storm Cat Energy Corp. acquired leases in the recent Cook Inlet lease sale.

FY04: Four new companies are involved in Alaska.

Kerr-McGee has partnered with Armstrong Alaska Inc. in Beaufort Sea exploration, and Pioneer Natural Resources Alaska Inc. acquired leases in the Beaufort Sea, North Slope, and Mat-Su areas. Fortuna acquired leases in the Beaufort Sea, and Pioneer Oil and Gas acquired leases in Cook Inlet.

A4: Strategy - Evaluate new areas for oil and gas exploration and development prior to a final best interest finding.

Target #1: Evaluate 100 percent of proposed sale/exploration license areas.

Status #1: 100% of the areas was completed.

Analysis of results and challenges: FY08: Geologic review of the geothermal potential was followed by the completion of the Mount Spurr Geothermal Lease Sale No. 3 Final Finding of the Director. Geologic, geophysical, and engineering input was incorporated into an updated geothermal lease form that accompanied the Best Interest Finding. Ormat Nevada Inc. won 15 of the 16 tracts. Ormat Nevada Inc. is the third largest geothermal power producer in the United States. The total amount received for 36,057 acres was \$3.57 million. This is an average high bonus bid per acre of \$90.44.

FY07: Two new exploration license areas were evaluated for their oil and gas potential, one was converted to lease, and another exploration license area was reviewed because of an appeal. These areas are primarily gas plays that would benefit from more seismic data acquisition and unconventional drilling techniques. Two areas nominated for geothermal exploration received geologic review. However, the hydrothermal potential is difficult to quantify since the data consist only of surface geology and a limited number of electromagnetic profiles. More data will certainly be collected in the future for this type of play.

FY06: Significant subsurface geological information pertaining to evaluation of the Alaska Peninsula lease sale has been released. Other lease sale areas are under continual review. Additional resources will be necessary to evaluate unexplored areas nominated for exploration licensing because such areas are outside of area wide lease sale areas that are subject to ongoing assessment by division staff.

A5: Strategy - Efficiently adjudicate exploration permits.

Target #1: 100 percent of exploration permits issued within the timelines set by the Alaska Coastal Management Program during fiscal year.

Status #1: 100% of exploration permits were issued with the timeline.

Percent of exploration permits issued on time

Year	YTD Total
2008	100%
2007	98 %
2006	95 %
2005	100 %
2004	90 %

Analysis of results and challenges: FY08: 95% issued on time. Hiring and retention challenges are continuing. The quality and responsiveness of the permit applicant pool is changing. Small independents and Limited Liability Companies (LLCs) are more common, require more attention, and are less receptive to public policy preferences. Abandonment, which historically has not required much work effort, is now emerging as a field life cycle phase in Cook Inlet. Oil and gas facility abandonment is relatively undeveloped as a program. Exploration is taking place in areas with more difficult logistics and operational issues.

FY07: All ACMP timelines were met; issuances of permits lagging ACMP reviews have improved despite continued hiring and retention challenges.

FY06: 95% issued on time.

All deadlines for ACMP review have been met; issuance of permits has lagged ACMP approval due to workload and staffing issues. Ability to timely adjudicate the anticipated expansion of the permitting workload, including Alaska Peninsula permits; gas line permitting; gas hydrates; and gas-only exploration licenses and leases will also be addressed by increased, permanent resource allocation.

FY05: 100% issued on time.

With increased resources to fund a Natural Resource Specialist IV and a Natural Resource Specialist III the division's ability to adjudicate new and increasing statewide gas-related exploration activities, including Alaska Peninsula permits, gas hydrates and gas-only exploration licenses and leases has been increased.

FY04: 90% issued on time.

B: Result - Maximize benefits of development and production to the state.

Target #1: Five percent maximum decrease in statewide oil and gas production from previous fiscal year.

Status #1: In FY08 there was a 2.1% drop in oil production and a 2.2% drop in gas production.

Percentage Change in Production

Fiscal Year	Oil %	Gas %
FY 2008	-2.1%	-2.2%
FY 2007	-13.2%	-9.6%
FY 2006	-6.2%	-1.0%
FY 2005	-7.8%	1.9%
FY 2004	-1.7%	0.8%

Analysis of results and challenges: FY08: This year's drop was due to decline in production in legacy units such as Prudhoe Bay, Kuparuk River, and Duck Island. New satellite pool development in exiting units, new field development under way and planned, and continued viscous oil development will reduce, but not eliminate, the production decline.

B1: Strategy - Efficiently adjudicate development permits.

Target #1: 100 percent of development permits issued within the timelines set by the Alaska Coastal Management Program during fiscal year.

Status #1: 100% of development permits were issued within the timeline.

Percent of permits issued on time

Year	YTD Total
2007	100%
2006	100%
2005	100%

Analysis of results and challenges: FY08: Routine ongoing operational permits are being issued on time. Recent developments in and near the Beaufort Sea and smaller onshore accumulations require permit solutions that do not fit the traditional pattern of plans of operation approvals. Approvals for off-unit pipelines and facilities, and sharing of facilities with other units, are issued as AS 38.05.850 easements which have a significantly larger administrative process, and present new issues that transcend routine procedures.

FY07: 100% of permits due were issued on time.

FY06: 100% issued on time.

FY05: 100% issued on time.

The division is actively participating in permitting for the Oooguruk and Nikaitchuq North Slope offshore development proposals and Ninilchik and Kasilof onshore gas developments in Cook Inlet. Offshore development projects continue to be permitting challenges due to increased environmental and oil spill response issues.

B2: Strategy - Promptly adjudicate completed lease assignments.

Target #1: 100 percent of lease assignments adjudicated within 15 working days.

Status #1: 27.5% was adjudicated within 15 working days.

Percent of lease assignments within 15 days

Year	Aver # days	YTD Total
2008	32.1	27.5%
2007	38.0	45%
2006	14.0	100%
2005	28.6	22.1%
2004	15.5	54.9%

Analysis of results and challenges: FY08: Of 1,250 assignments, 27.5% were issued within 15 days; the overall average time to issue an unusually large number of lease assignments was 32 days. The longer than average adjudication was due to a number of assignments (165) that were extremely complex and required input from the Department of Law before they could be processed. This also resulted in a number of other assignments being delayed while the issue was being worked on.

FY07: Of 973 assignments, 45% were issued within 15 days; the overall average time to issue an unusually large number of lease assignments was 38 days.

FY06: 100% issued within 15 days; overall average time to issue is 14 days. More than 1,000 lease assignments adjudicated.

B3: Strategy - Keep up with the increasing numbers of unit-related decisions (plans of exploration/development/Participating Areas (PA)).

Target #1: 90 percent of unit/participating area decisions issued within 90 days.

Status #1: 85% of decisions were negotiated and issued within 90 days.

% of unit decisions within 90 days

Year	YTD Total
2008	85%
2007	100%
2006	93%
2005	100%
2004	100%

Analysis of results and challenges: In FY08 85% of the participating areas (PA) decisions were issued within 90 days.

The units section is fully staffed and capable of analyzing the increasing number of unit actions. Oil and gas units and (PA's) are the operating and commercial framework for most oil and gas production in Alaska. The division's continued ability to manage the state's units is critical to the state's economic future. These complex negotiated unit and PA agreements provide the framework for maximizing production with minimum environmental impact while protecting the rights of all parties.

FY07 – 100% compliance

FY06 – 93% compliance

FY05 – 100% compliance

FY04 – 100% compliance

B4: Strategy - Negotiate new unit agreements or modifications to current unit agreements that accelerate exploration and development and maximize the economic benefit to the state.

Target #1: Negotiate two unit agreements per fiscal year that provide for accelerated exploration and development.

Status #1: In FY08 eight new PA's were approved.

Analysis of results and challenges: Eight new units were negotiated and approved in FY08.

Four new units were negotiated and approved in FY07.

Four new units approved in FY06.

One new unit agreements in FY05.

Three new unit agreements in FY04.

B5: Strategy - Perform inspections of oil and gas operations.

Target #1: 100 percent of seismic, exploratory, and production operations inspected every three years.

Status #1: Ninety-five percent of new physical activities were inspected.

Analysis of results and challenges: FY08: 95% of new physical activities were inspected. Ongoing production operations without new activity are inspected on an opportunistic basis. More complex applicant and application issues are increasing the need for inspections and compliance oversight. Accordingly, a program of comprehensive inspection of new and ongoing exploration and production activities over a three-year horizon will allow proper scheduling of seasonal inspections and follow-up inspections of exploration or production projects delayed for weather funding or other reasons. The ongoing development of an internal operations tracking system will likewise contribute to future program benefits.

FY07: 95% of operations inspected.

FY06: 90% new staff hired in the third quarter has been quickly coming up to speed and assisting in the inspection program. The new positions are crucial in meeting this established goal. Ongoing exploration activities and incremental changes to existing development increase each year the total number of sites requiring on-site inspection for compliance with lease and permit conditions. Permanent addition of permitting staff has had significant positive impact on achieving goals, including additional expected gas-related activities, gas pipeline permitting, Alaska Peninsula activities, gas hydrates, and gas-only exploration licenses.

FY05: 85% complete. Operations not inspected by June 30, 2005, include those planned for summer construction or inspection, and seismic operations planned for next winter.

FY04: 85% complete

C: Result - Maximize non-tax revenue from state oil and gas production.

Target #1: \$ 1.6 billion

Status #1: \$3.4 billion estimated non-tax revenue received in FY08 for state production of oil and gas, up from \$2.16 in FY07.

Amount of non-tax revenues

Fiscal Year	YTD Total
FY 2008	\$3.34 billion
FY 2007	\$2.16 billion
FY 2006	\$2.39 billion
FY 2005	\$1.91 billion
FY 2004	\$1.42 billion

Analysis of results and challenges: FY08: This amount includes income from royalties, bonus bids, rental payments, and state share of federal oil and gas revenues (regular payments as well as money from reopeners and audits) from oil and gas throughout the state. Without continued budget support, audit activity will decrease, royalty settlement reopeners will be less effective, and analysis of pipeline tariff rates and quality bank fees will be postponed.

The royalty, audit, and commercial sections continue to monitor royalty payments, royalty settlement agreements with lessees, and royalty-in-kind contracts, and take advantage of every opportunity to assure that the state is getting full value for its royalty and gas.

..... ANS Spot Price TAPS Volume
FY08 \$96.42 avg/bbl714 mil bbl/day
FY07 \$62.58 avg/bbl731 mil bbl/day
FY06 \$62.08 avg/bbl837 mil bbl/day

FY05 \$44.83 avg/bbl909 mil bbl/day
 FY04 \$32.36 avg/bbl973 mil bbl/day

C1: Strategy - Ensure that the state receives the best negotiated value in the sale of its royalty-in-kind (RIK) oil and gas.

Target #1: Receive \$.30 per barrel more from RIK as opposed to royalty-in-value (RIV).

Status #1: 100% Compliance

Analysis of results and challenges: In FY09, Quality Bank rulings from the Federal Energy Regulatory Commission will result in both prospective and retroactive adjustments to the RIK contract price for RIK purchasers. Without continued budget support, RIK analyses and billing will be delayed.

FY08 – 100% compliance

FY07 – 100% compliance

FY06 – 100% compliance

FY05 – 100% compliance

FY04 – 100% compliance

With the conclusion of the Trans Alaska Pipeline System (TAPS) tariff litigation before the Federal Energy Regulatory Commission, the commercial section will assist the division in making a claim for retroactive adjustments in the price of royalty-in-kind oil sold under the Flint Hills contract.

C2: Strategy - Conduct timely audits.

Target #1: Complete four royalty audits each fiscal year.

Status #1: Ten audits were completed in FY08.

Analysis of results and challenges: Twelve royalty audits are currently in progress.

FY08: Ten audits were completed. The audit section is responsible for auditing, analyzing, or verifying virtually all of the oil and gas royalties collected by the State of Alaska, which is one of the state's largest two components of revenue (excluding federal and investment revenues). The audit section also audits federal leases in Alaska under a delegation from the U.S. Minerals Management Service, and the State of Alaska receives a share of the federal royalties. The section's auditors are responsible for verifying oil and gas royalties either directly through audits or through review and negotiations during periodic amendments to royalty settlement agreements (called reopeners in the case of agreements with the three major oil producers on the North Slope). Without continued budget support, audits and audit recoveries will be delayed.

FY07: Seven audits were completed.

FY06: Four audits were completed.

FY05: Eight royalty audits completed.

FY04: Four royalty audits completed.

C3: Strategy - Ensure that the state receives full value for oil and gas royalty-in-value (reopeners).

Target #1: 100 percent of reopeners increase value.

Status #1: 100% of the target was met.

Analysis of results and challenges: FY08: The state has concluded a royalty settlement reopener with ConocoPhillips. Royalty reports will be refilled in FY09, and state royalty value will increase. The state continued to progress its royalty settlement reopener with BP. In addition, the division is currently analyzing a potential royalty

settlement agreement reopener with a major oil producer.

Component: Petroleum Systems Integrity Office

Contribution to Department's Mission

The Petroleum Systems Integrity Office (PSIO) contributes to the department's local and statewide mission by improving the development and conservation of resources through coordination of oil and gas oversight activities among all local, state and federal agencies with oil- and gas-related authority and responsibility, and by requiring quality management programs of oil and gas operators, to maximize implementation of prudent systems integrity practices.

Core Services

- Review the quality management programs of unit/lease operators relative to oil and gas systems integrity; prioritize areas of risk for corrective attention, identify gaps or weaknesses in the state programs for corrective action, and assign or exercise oversight of compliance.
- Coordinate oversight activities between state and federal agencies with oil and gas related responsibility, including coordination of investigations of incidents and public/employee concerns.
- Ensure no regulatory gaps or duplicative efforts occur in the regulation and oversight of oil and gas related infrastructure and activity among state, local and federal agencies.
- Require and monitor programs to maximize long-range system integrity, and maintain a proactive compliance program.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$1,379,500

Personnel:

Full time	8
Part time	0
Total	8

Component: Pipeline Coordinator

Contribution to Department's Mission

To encourage and facilitate the development and sound operation of pipelines on State land.

Core Services

- Process applications under the Alaska Lands Act and the Right-of-Way Leasing Act and negotiate and deliver pipeline and other right-of-way leases in a manner that serves the State's interests
- Administer leases under the State Pipeline Coordinator's Office jurisdiction including revenue, permitting, authorizations, and oversight of the construction, operation, maintenance and termination of pipelines on State leased land.
- Coordinate SPCO Trans-Alaska Pipeline System (TAPS) Lease oversight with the U.S. Dept. of Transportation/ Pipeline and Hazardous Materials Safety Administration, and the U.S. Bureau of Land Management to ensure that TAPS remains available for delivery of North Slope crude oil to market.
- Keep the public informed of the State Pipeline Coordinator's Office activities.

End Result	Strategies to Achieve End Result
<p>A: Assure pipelines administered by the State Pipeline Coordinator's Office are designed, constructed, operated and maintained in a safe and environmentally-sound manner consistent with lease requirements and applicable laws.</p> <p><u>Target #1:</u> By monitoring regulatory and lease compliance, ensure safe and environmentally sound operations of the State Pipeline Coordinator's Office jurisdictional pipelines.</p> <p><u>Status #1:</u> Agreements are currently in place for 100% of active jurisdictional pipeline operators as applicable to AS 38.35.140 and 145.</p>	<p>A1: Maintain acceptable turnaround time for review and issuance of pipeline right-of-way amendments and operational permits.</p> <p><u>Target #1:</u> 100% of applications and requests are processed within timelines negotiated with the applicant/lessee or as legally or contractually required.</p> <p><u>Status #1:</u> 100% of amendments, authorizations and permits has been processed within timelines negotiated with the applicant/lessee or as legally or contractually required.</p> <p>A2: Increase the State Pipeline Coordinator's Office regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.</p> <p><u>Target #1:</u> New Target and Measure will be developed for FY10 to report data related to regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.</p> <p><u>Status #1:</u> Not Available</p> <p>A3: Increase the State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.</p> <p><u>Target #1:</u> New Target and Measure will be developed for FY10 to report data related to increased State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.</p> <p><u>Status #1:</u> Not Available</p>

	<p>A4: Explore, through analysis of department procedures, opportunities to streamline the pipeline right-of-way lease amendment process.</p> <p>Target #1: New Target and Measure will be developed for FY10 to report data related to streamlining efforts for pipeline right-of-way lease amendments.</p> <p>Status #1: Not Available</p>
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Major Activities to Advance Strategies

- Process applications, and negotiate and deliver Right-of-Way leases.
- Expedite permits and authorizations.
- Coordinate concurrent regulatory process of all Joint Pipeline Office participating agencies.
- Maintain public records.
- Administer leases under state jurisdiction.
- Conduct oversight consistent with applicable statutes, regulations, engineering standards and lease requirements.
- Negotiate agreements with lessees and state agencies.
- Keep public informed.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$7,896,300

Personnel:

Full time	27
Part time	0
Total	27

Performance

A: Result - Assure pipelines administered by the State Pipeline Coordinator's Office are designed, constructed, operated and maintained in a safe and environmentally-sound manner consistent with lease requirements and applicable laws.

Target #1: By monitoring regulatory and lease compliance, ensure safe and environmentally sound operations of the State Pipeline Coordinator's Office jurisdictional pipelines.

Status #1: Agreements are currently in place for 100% of active jurisdictional pipeline operators as applicable to AS 38.35.140 and 145.

Percent of Active Jurisdictional Pipelines that have written reimbursement agreement with SPCO pursuant to AS 38.35.140 and 145

Fiscal Year	YTD Total
FY 2009	100%
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Methodology: FY09 Data is as of 9/30/2008.

Analysis of results and challenges: Multiple agencies are involved in permit processing and oversight of jurisdictional pipelines due to a wide range of applicable laws and other requirements. These include engineering design standards, as well as environmental, health and safety requirements. The State Pipeline Coordinator's Office (SPCO) has historically focused only on TAPS and other large scale gas pipeline projects. However, in recent years, the SPCO has worked to develop agreements with 16 additional active jurisdictional pipelines and increased coordination with other state and federal oversight agencies. The target reflects the results of these efforts. The result is broader and more efficient oversight of pipeline operators by the State. Challenges include possible expansion of the non-TAPS oversight program and negotiating the funding to support these efforts.

A1: Strategy - Maintain acceptable turnaround time for review and issuance of pipeline right-of-way amendments and operational permits.

Target #1: 100% of applications and requests are processed within timelines negotiated with the applicant/lessee or as legally or contractually required.

Status #1: 100% of amendments, authorizations and permits has been processed within timelines negotiated with the applicant/lessee or as legally or contractually required.

Percentage of applications and requests processed through the SPCO within timelines negotiated with the applicant/lessee or as legally or contractually required.

Fiscal Year	YTD Total
FY 2009	100%
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Analysis of results and challenges: FY09 data is as of 9/30/08.

All permits and authorizations were consistently processed within timelines negotiated or as legally or contractually required. This indicates good communication and coordination between applicants/lessees and the SPCO. The numbers of permits and authorizations processed varies from year to year depending on the types of projects undertaken and the number of applications and requests submitted by the applicants/lessees.

A2: Strategy - Increase the State Pipeline Coordinator's Office regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.

Target #1: New Target and Measure will be developed for FY10 to report data related to regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.

Status #1: Not Available

A3: Strategy - Increase the State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.

Target #1: New Target and Measure will be developed for FY10 to report data related to increased State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.

Status #1: Not Available

A4: Strategy - Explore, through analysis of department procedures, opportunities to streamline the pipeline right-of-way lease amendment process.

Target #1: New Target and Measure will be developed for FY10 to report data related to streamlining efforts for pipeline right-of-way lease amendments.

Status #1: Not Available

Component: Alaska Coastal and Ocean Management

Contribution to Department's Mission

Oversee responsible development of coastal uses and resources within the State's coastal area and the Outer Continental Shelf (OCS).

Core Services

- Act as State's liaison to federal agencies (1) conducting/permitting activities within the State's coastal area and the Outer Continental Shelf; (2) involving federal laws/initiatives that effect development of the coastal zone, waters, uses or resources of the State.
- Manage and administer the Alaska Coastal Management Program (ACMP).
- Act as the department's lead on issues affecting or addressing the coastal waters affecting the State.
- Manage and administer the Coastal Impact Assistance Program (CIAP).

End Result	Strategies to Achieve End Result
A: Promote responsible resource development. <u>Target #1:</u> Review 100% of the resource development projects for compliance with ACMP requirements. <u>Status #1:</u> Not Available	A1: Effective delivery of project management and review services. <u>Target #1:</u> Achieve 95% project consistency (i.e., compliant with the ACMP). <u>Status #1:</u> Not Available A2: Efficient delivery of project management and review services. <u>Target #1:</u> 50-day average consistency review timeframe for individual consistency reviews. <u>Status #1:</u> Not Available A3: Ensure the State's coastal interests are reflected and protected. <u>Target #1:</u> 100% of initiatives affecting the State's coastal zone, waters, uses, and resources are tracked, reviewed, and commented on. <u>Status #1:</u> Not Available

Major Activities to Advance Strategies

- Manage annual federal grant and state funds for implementation of the Alaska Coastal Management Program (ACMP)
- Manage annual federal grant for the Coastal Impact Assistance Program (CIAP)
- Coordinate and conduct consistency review of federal agency activities and state/federal permitted activities in the coastal zone
- Assist local coastal districts in developing and implementing district plans to further manage local coastal uses & resources
- Provide support and/or educational materials to local, state, and federal agencies, industry and the public to address issues affecting coastal mgmnt

Major Activities to Advance Strategies

- Review and respond to proposed initiatives (federal and other) that affect Alaska's coastal management and related jurisdictional issues

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$4,449,800

Personnel:

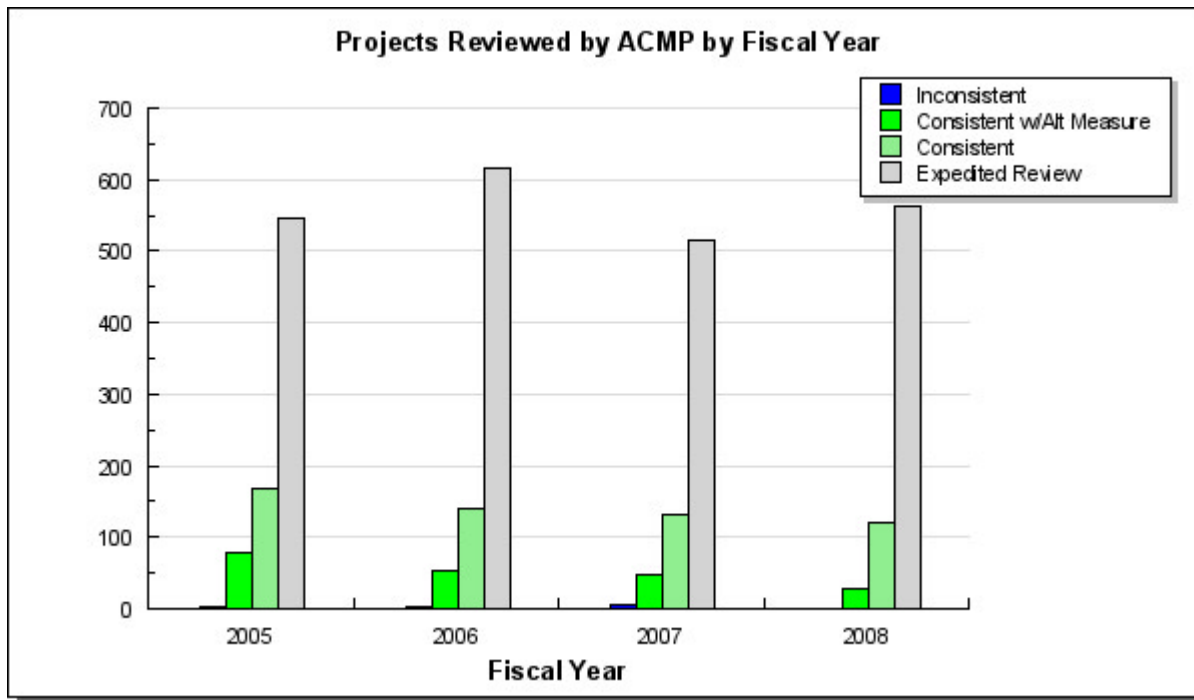
Full time	34
Part time	0
Total	34

Performance

A: Result - Promote responsible resource development.

Target #1: Review 100% of the resource development projects for compliance with ACMP requirements.

Status #1: Not Available



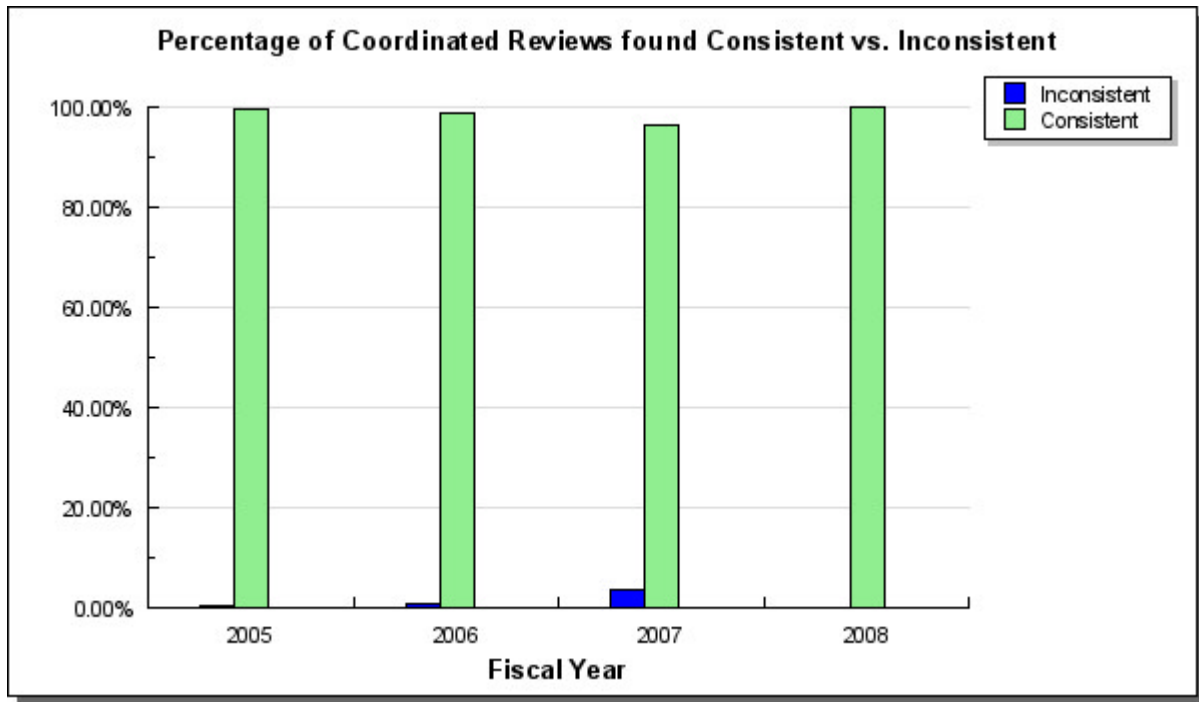
Projects Reviewed by ACMP by Fiscal Year

Fiscal Year	Inconsistent	Consistent w/Alt Measure	Consistent	Expedited Review
FY 2008	0 -100%	27 -44.9%	121 -7.63%	562 +9.34%
FY 2007	7 +75%	49 -5.77%	131 -6.43%	514 -16.69%
FY 2006	4 0%	52 -33.33%	140 -16.67%	617 +12.8%
FY 2005	4	78	168	547

Analysis of results and challenges: 100% of all projects reviewed in FY 2008 are compliant with the Alaska Coastal Management Program (ACMP) laws. The above percentage reflects projects that were compliant as proposed by the applicant or modified during the review process by the applicant without the need for additional alternative measures, as well as projects that were modified by alternative measures that were needed to bring the projects into compliance. Additionally, the graph reflects the number of expedited project reviews found to be compliant with pre-determined conditions (A and B listed activities.) This percentage is an indication of our success in protecting coastal uses and resources while responding to resource development activities.

The graph also illustrates the number of individual projects the Division of Coastal and Ocean Management (DCOM) reviews for consistency with the ACMP. As demonstrated, there has been a decrease in individual consistency reviews conducted by DCOM. This decrease is a result of DCOM processing more projects in a streamlined fashion under the List of Expedited Consistency Review and State Authorizations Subject to the ACMP (ABC List), rather than conducting an individual consistency review. Streamlined consistency reviews and greater use of the ABC List allows DCOM staff to spend more time on the more complex and controversial projects.

Trend-wise, this data indicates that DCOM continues to consistently achieve a high level of coastal use and resource protection, even during significant program change and a refocusing of the workload.

A1: Strategy - Effective delivery of project management and review services.**Target #1:** Achieve 95% project consistency (i.e., compliant with the ACMP).**Status #1:** Not Available**Percentage of Coordinated Reviews found Consistent vs. Inconsistent**

Fiscal Year	Inconsistent	Consistent	YTD Total
FY 2008	0	100%	100%
FY 2007	3.75%	96.25%	100%
FY 2006	1%	99%	100%
FY 2005	.5%	99.5%	100%

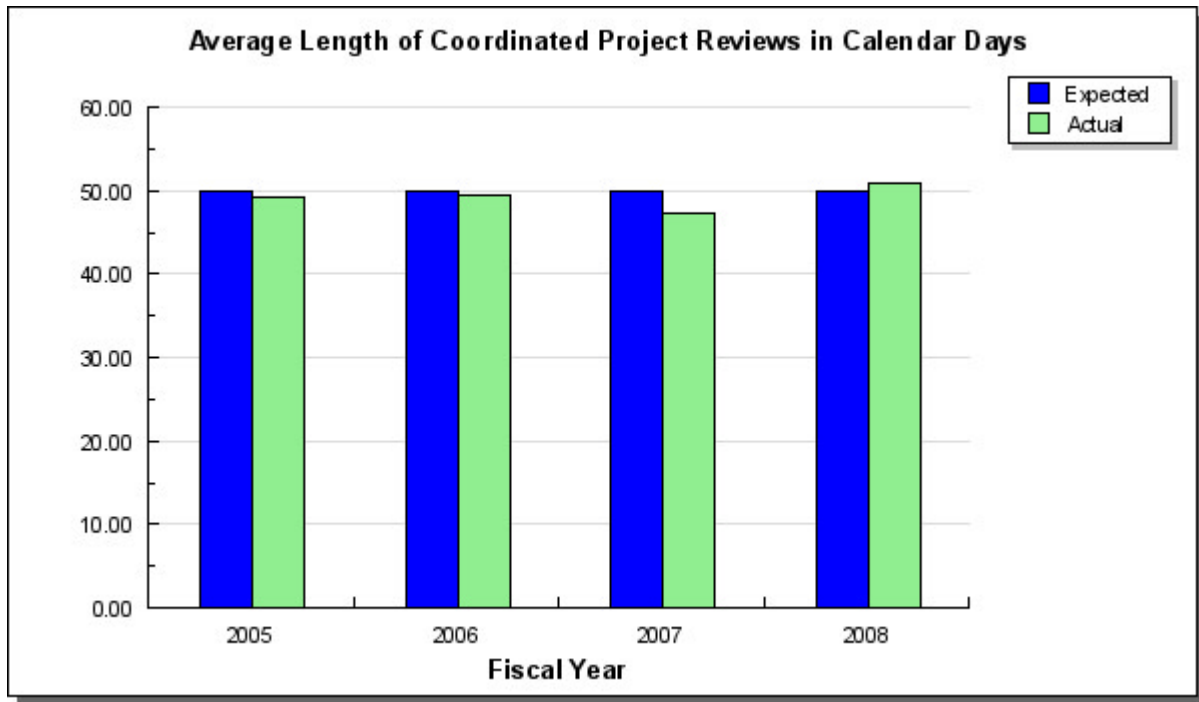
Analysis of results and challenges: Division of Coastal and Ocean Management (DCOM) continues to exceed the target for finding projects consistent with the Alaska Coastal Management Program (ACMP). This high percentage of consistent project reviews is indicative of DCOM's pre-review work with the applicant to explain the ACMP laws and requirements and of DCOM's work during the consistency review with the applicant and resource agencies to modify projects into consistency with the ACMP.

Consistent projects include consistent as proposed, consistent with conditions, those determined to have no coastal effects and projects receiving expedited approvals.

A2: Strategy - Efficient delivery of project management and review services.

Target #1: 50-day average consistency review timeframe for individual consistency reviews.

Status #1: Not Available

**Average Length of Coordinated Project Reviews in Calendar Days**

Fiscal Year	Expected	Actual
FY 2008	50 0%	51 +7.91%
FY 2007	50 0%	47.26 -4.53%
FY 2006	50 0%	49.5 +0.81%
FY 2005	50	49.1

Analysis of results and challenges: During the FY05, FY06, and FY07 reporting periods, vacancies and staff turn over due to the uncertain nature of the program approval process continued to be a factor in reviewing projects within the designated time period. In spite of continued program uncertainty, additional program changes, and a 30+% vacancy factor during the 2005 and 2006 fiscal years existing staff met and exceeded the targeted consistency review timeframe again in FY07.

In FY08 although the ACMP staffing stabilized, several new program initiatives occurred simultaneously demanding ACMP staff time. Examples include responding to Coastal District led legislation introduced during the 2008 legislative session, initiating the statutorily required ABC list revisions, and developing and leading an ACMP stakeholder program re-evaluation process.

A3: Strategy - Ensure the State's coastal interests are reflected and protected.

Target #1: 100% of initiatives affecting the State's coastal zone, waters, uses, and resources are tracked, reviewed, and commented on.

Status #1: Not Available

Analysis of results and challenges: Division of Coastal Management (DCOM) continues to track 100% of the initiatives affecting the State's coastal zone, uses, and resources. DCOM accomplishes this target through working directly with the various federal agencies operating in Alaska Bureau of Land management (BLM), Minerals and Management Services (MMS), National Oceanic and Atmospheric Administration (NOAA), U.S. Forest Service (USFS), U.S. Fish & Wildlife Service (USFWS), Environmental Protective Agency (EPA), U.S. Army Corp of Engineers (USACOE), Federal Aviation Administration (FAA), etc... tracking their initiatives to be implemented in Alaska, and commenting when appropriate.

One of the primary initiative facing Alaska's coastal zone uses and resources is the recent report, U.S. Commission on Ocean Policy final version "An Ocean Blueprint for the 21st Century." In response to the nationally proposed directives affecting Alaska, ACMP program managers are coordinating with other state agencies to develop alternate policy strategies.

Component: Large Project Permitting

Contribution to Department's Mission

The Office of Project Management and Permitting (OPMP) implements the Large Project Permitting (LPP) component by protecting and advancing State and public interests concerning major resource developments, federal land use initiatives, and other policy initiatives to enhance and protect the State's economy, quality of life, and natural resource values.

Core Services

- Coordinate State review and permitting for large complex resource development projects, which include hard rock and coal mining projects, oil and gas projects, and transportation projects.
- Coordinate State participation in ANILCA implementation issues to ensure the State of Alaska's multiple departmental interests, authorities, and jurisdictions are properly recognized in federal decision making. Participation also ensures that the 100 million acres of federal Conservation System Units are managed consistent with Congressional intent to protect tourism and resource development opportunities and maintain opportunities for traditional activities and access.
- Coordinate State participation in federal land use planning efforts that lay the groundwork for successful resource development, wise stewardship of state resources, and continued opportunities for access, and public uses such as recreation, hunting and fishing. Coordinated multi-agency planning ensures that multiple departmental interests, authorities and jurisdictions are properly recognized in adopted federal land management strategies.

End Result	Strategies to Achieve End Result
<p>A: Facilitate responsible resource development through project management, review, stewardship, and permitting services; and ensure major federal land use initiatives protect state interests.</p> <p><u>Target #1:</u> 100% of large resource development projects are reviewed, coordinated, and shepherded through the state review and permitting system by knowledgeable and experienced project managers.</p> <p><u>Status #1:</u> Currently, every applicable project has a project manager assigned to it.</p>	<p>A1: Assign project managers to manage state agency and local government representatives in identifying permitting requirements, baseline information needs, establishing timelines, and minimizing duplication of process.</p> <p><u>Target #1:</u> Research and identify project manager candidates and agency (state and local) personnel for large for large projects.</p> <p><u>Status #1:</u> Currently, the Office of Project Management and Permitting (OPMP) has seven project managers assigned to permit reviews and project coordination.</p> <p>A2: Establish agreements with federal and state agencies to cooperatively assign personnel and resources to coordinate and ensure prompt and thorough project reviews.</p> <p><u>Target #1:</u> Negotiate and sign Memorandums of Understanding (MOU's) for all large resource development projects with applicable state and federal agencies.</p> <p><u>Status #1:</u> OPMP currently has signed 18 MOU's with project applicants and operators. In addition, OPMP has completed over 100 reimbursable services agreements with state regulatory agencies to ensure all permitting</p>

	<p>costs for these agencies can be reimbursed by the project applicants.</p> <p>A3: Secure funding and support to continue State participation in the review of trans-boundary projects located in Canada.</p> <p><u>Target #1:</u> Negotiate and sign Memorandums of Understanding (MOU's) and Reimbursable Service Agreements (RSA's) with other state or federal agencies to secure funding to review and comment on trans-boundary projects.</p> <p><u>Status #1:</u> Currently the Office of Project Management and Permitting (OPMP) has one MOU with a project applicant for the Alaska component of a transboundary mining project. OPMP also has a funding agreement in place through FY09 for federal funds administered by Department of Fish & Game (ADFG) and has applied for similar funding that would continue through FY2011. OPMP has RSA's with all appropriate state agencies to conduct the permitting review of this project and other transboundary projects. Thorough permitting review of these projects is critical for the protection of Alaskan water quality and fisheries resources.</p>
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Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Manage grants programs and individual grants • Recruit and hire qualified Office of Project Management and Permitting (OPMP) staff • Facilitate improved day-to-day coordination and communication among state and federal resource agencies • Assign project managers as resource development projects are proposed • Identify information required from resource developers to initiate the State permitting process • Establish permitting timelines for projects | <ul style="list-style-type: none"> • Coordinate state agency activities to expedite project review and permitting • Present information at public and industry forums to improve understanding of resource projects • Work to integrate and simplify federal and state permitting processes • Eliminate duplication of information requirements and permit stipulations • Advocate for appropriate Alaska National Interest Lands Conservation Act (ANILCA) implementation that protects state interests and ensures statutory compliance • Advocate for federal policies that accommodate access, tourism, and responsible resource development and state management needs and responsibilities |
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FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$3,031,900

Personnel:

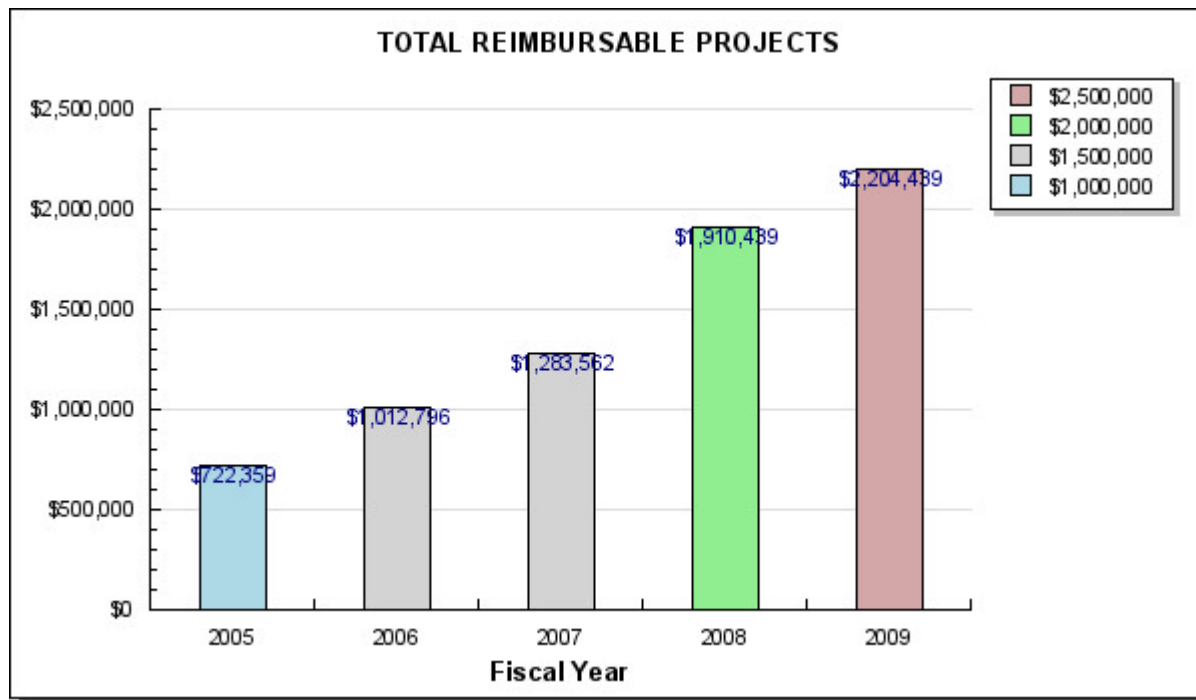
Full time	13
Part time	0
Total	13

Performance

A: Result - Facilitate responsible resource development through project management, review, stewardship, and permitting services; and ensure major federal land use initiatives protect state interests.

Target #1: 100% of large resource development projects are reviewed, coordinated, and shepherded through the state review and permitting system by knowledgeable and experienced project managers.

Status #1: Currently, every applicable project has a project manager assigned to it.



Analysis of results and challenges: Every large resource development project has a project manager or coordinator assigned to it. Although the Office of Project Management and Permitting (OPMP) does not (and cannot) control the amount of resource development that is proposed in the State, it can respond to proposals and offer project management services to promote the responsible development of the State's resources. As can be seen by the graph, the number of large resource development projects that OPMP is coordinating is increasing. This is a reflection of the superior service that OPMP offers in project management, review, stewardship, and permitting services. Similarly significant and indicative of the success and value of the OPMP services is the amount of funding resource development applicants are providing to OPMP to manage their projects. In FY06, OPMP secured \$1.0 million in funding to manage projects. In FY07, OPMP secured \$1.3 million in funding to manage projects. In FY08, OPMP secured \$1.9 million, and in FY09, OPMP secured \$2.2 million. Trend-wise, these data indicate that OPMP continues to consistently deliver a high level of project management services, and is embraced by the industry and state agencies as promoting responsible resource development through superior project management.

Such project management success can be seen in the recent final permitting for the Pogo Mine, the Kensington Mine, the Fort Knox Mine expansion, and the Rock Creek Mine.

A1: Strategy - Assign project managers to manage state agency and local government representatives in identifying permitting requirements, baseline information needs, establishing timelines, and minimizing duplication of process.

Target #1: Research and identify project manager candidates and agency (state and local) personnel for large for large projects.

Status #1: Currently, the Office of Project Management and Permitting (OPMP) has seven project managers assigned to permit reviews and project coordination.

Number of Project Managers/Coordinators by Fiscal Year

Fiscal Year	Project Managers
FY 2009	7
FY 2008	8
FY 2007	7
FY 2006	7
FY 2005	6

Analysis of results and challenges: Listed below are the projects that large project team members are assigned, involved with, and/or that include a permitting aspect that OPMP coordinates:

Large Mining Projects: Donlin Creek with Barrick Gold Corp.; Red Dog Mine (including the Aqalluk Expansion) with Teck Cominco AK, Inc.; Greens Creek Mine with Kennicott Greens Creek Mining Co.; Pogo Gold Mine with Teck-Pogo, Inc.; Ft. Knox and True North gold mines with Fairbanks Gold Mining, Inc.; Pebble Copper Gold with Northern Dynasty Mines Inc. and Anglo American, Inc.; Rock Creek Gold Mine with Alaska Gold Co.; Kensington Gold Mine with Coeur Alaska; Chuitna Coal Project with PacRim Coal, LP; Niblack Project with Niblack Mining Corporation; Canadian Mine Project Reviews (Tulsequah Chief Mine, Galore Creek Mine, Schaft Creek Mine, and Premier-Westin Mine cleanup Project) with Dept. of Fish and Game.

Large Projects and Planning: Resource Road Development Projects with Dept. of Transportation and Public Facilities; Alaska Railroad Northern Rail Extension Project; Knik Arm Crossing Project; Liberty Oil Field Development and Production Project; East NPR-A with Bureau of Land Management; King Cove Land Exchange Negotiations; Point MacKenzie Railroad Spur; Shell Offshore Exploration Program; Ring of Fire, East Alaska, Kobuk-Seward, Bay Area, and White Mountain Resource Management Plans/EIS with Bureau of Land Management.

ANILCA: Alaska National Interest Lands Conservation Act (ANILCA) implementation by the National Park Service, US Fish and Wildlife Service, US Forest Service, and Bureau of Land Management. Includes efforts to influence a continuing stream of ANILCA plans, policies, and regulations.

A2: Strategy - Establish agreements with federal and state agencies to cooperatively assign personnel and resources to coordinate and ensure prompt and thorough project reviews.

Target #1: Negotiate and sign Memorandums of Understanding (MOU's) for all large resource development projects with applicable state and federal agencies.

Status #1: OPMP currently has signed 18 MOU's with project applicants and operators. In addition, OPMP has completed over 100 reimbursable services agreements with state regulatory agencies to ensure all permitting costs for these agencies can be reimbursed by the project applicants.

Analysis of results and challenges: To date, all MOU's have been signed with resource development companies.

A3: Strategy - Secure funding and support to continue State participation in the review of trans-boundary projects located in Canada.

Target #1: Negotiate and sign Memorandums of Understanding (MOU's) and Reimbureable Service Agreements (RSA's) with other state or federal agencies to secure funding to review and comment on trans-boundary projects.

Status #1: Currently the Office of Project Management and Permitting (OPMP) has one MOU with a project applicant for the Alaska component of a transboundary mining project. OPMP also has a funding agreement in place through FY09 for federal funds administered by Department of Fish & Game (ADFG) and has applied for similar funding that would continue through FY2011. OPMP has RSA's with all appropriate state agencies to conduct the permitting review of this project and other transboundary projects. Thorough permitting review of these projects is critical for the protection of Alaskan water quality and fisheries resources.

Analysis of results and challenges: RSA's have been signed with the Dept. of Fish and Game, DNR/Office of Habitat Management and Permitting, DNR/Division of Mining Land and Water, and the Department of Law, and interagency teams are currently monitoring and reviewing permitting progress for the Tulsequah Chief Mine, the Galore Creek Mine, the Schaft Creek Mine, and the Premier-Westin Mine cleanup project.

Component: Claims, Permits & Leases

Contribution to Department's Mission

Provide opportunities for commercial and private use of state land

Core Services

- Issue permits for use of state land, including commercial, recreation and upland and tideland permits
- Issue leases for use of state land
- Administer contracts related to use of state land
- Permit large mine projects
- Ensure permit compliance
- Manage abandoned mine lands
- Conduct appraisals and surveys necessary for permitting and leasing of state land for commercial and private use and resource development; and for state land sales.
- Manage mineral properties
- Manage public use of state land
- Resolve illegal use of state land
- Collect revenue for resource extraction
- Issue and manage easements for access through state land

End Result	Strategies to Achieve End Result
<p>A: Industry and individuals obtain authorizations necessary for the environmentally sound use and development of state land and resources.</p> <p><u>Target #1:</u> Process 90% of new applications received. <u>Status #1:</u> In FY08 the Division processed 103% of applications received, showing that some of the backlog was eliminated.</p>	<p>A1: Provide a good business environment in Alaska by processing authorizations within expected cycle times.</p> <p><u>Target #1:</u> Issue or deny land use permits within 8 weeks of receiving a complete application. <u>Status #1:</u> The Division processes land use permits with a median cycle time of 12 weeks, not meeting the target.</p> <p><u>Target #2:</u> Process private exclusive easement applications for new sites within 2.0 years and public easements within 12 months of receiving a complete application. <u>Status #2:</u> The backlog continues to increase as the division can not process as many applications as it receives for easements.</p> <p><u>Target #3:</u> Enter new mineral location notices into the Land Administration System within 2 weeks of receiving appropriate documentation and payment. <u>Status #3:</u> The division is taking longer to get the mining data in the Land Administration System.</p> <p><u>Target #4:</u> Process 100% of easement vacation requests received. <u>Status #4:</u> The Division almost met the target, but this does not address the backlog of vacation requests.</p>

	<p><u>Target #5:</u> Process upland and tideland leases within 2.5 years of receiving a complete application.</p> <p><u>Status #5:</u> The division has a growing backlog of lease applications and is taking longer to process them.</p>
End Result	Strategies to Achieve End Result
<p>B: The use of state land provides either direct or indirect economic benefit to the state.</p> <p><u>Target #1:</u> Generate \$10 million in revenue (\$3 million more than the General Fund cost to this component).</p> <p><u>Status #1:</u> The division exceeded its target revenue in FY08.</p>	<p>B1: Generate more revenue than the component costs.</p> <p><u>Target #1:</u> 5 out of 19 programs (authorization types) will generate more revenue than they cost to run.</p> <p><u>Status #1:</u> The division met its target of having 5 of 19 programs generate more revenue than they cost.</p> <p><u>Target #2:</u> Generate \$3.7 million net revenue through processing of mining claims, mineral leases, and annual placer mining applications.</p> <p><u>Status #2:</u> The division did not meet the target of \$3.7 million in net revenues for mining.</p> <p><u>Target #3:</u> Generate \$1.5 million net revenue through processing of material sale applications in FY09.</p> <p><u>Status #3:</u> The Division generated almost double the FY08 material sale revenue target.</p>
End Result	Strategies to Achieve End Result
<p>C: Manage state land and resources in an environmentally sound manner that sustains current and future use.</p> <p><u>Target #1:</u> Authorize 100 miles of ice road construction on the North Slope.</p> <p><u>Status #1:</u> The Division authorized 247 miles of ice road construction in an environmentally responsible manner during FY08.</p>	<p>C1: Monitor authorized activities to insure that regulations and stipulations are followed.</p> <p><u>Target #1:</u> 100% of required mineral reclamation is accomplished without significant environmental problems.</p> <p><u>Status #1:</u> Only 12% of the compliance directives were unabated at the end of FY08, but mostly these were due to the timing of the fiscal year.</p> <p><u>Target #2:</u> Conduct site inspections of 20% of active land use permits.</p> <p><u>Status #2:</u> While the division came close to meeting its target, the target was already lowered to the absolute minimum that should be inspected.</p> <p>C2: Identify unauthorized activities and either bring activity into compliance or start trespass case.</p> <p><u>Target #1:</u> Resolve trespass cases for all identified illegal activities that are not brought into compliance.</p> <p><u>Status #1:</u> Backlog of trespass continues to grow. There is a blatant misuse and illegal use of state land by some individuals and businesses.</p> <p>C3: Restore, reclaim, or rehabilitate damaged, polluted or abandoned sites.</p> <p><u>Target #1:</u> Remove four identified hazardous sites through reclamation efforts.</p>

	<p><u>Status #1:</u> The Division exceeded its target.</p> <p><u>Target #2:</u> Remove 8 shipwrecks and abandoned vessels that restrict the use of state tidelands, shore lands, and submerged lands.</p> <p><u>Status #2:</u> The division exceeded the target but the backlog grew.</p>
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Major Activities to Advance Strategies

- Process 200 new Upland and Tideland Permits and administer 1,200.
- Process an estimated 60 new Commercial Recreation Permits.
- Process 5 new Upland and Tideland Leases and administer 400.
- Administer existing Alyeska Commercial Recreation Lease in Girdwood.
- Process 15 new Set Net Leases and administer 1,050.
- Process 4 Public and Charitable Use Leases or Sales and administer 150.
- Process 2 permits and one long term lease on Log Transfer Facilities; administer 85; complete 30 bark monitoring analyses.
- Process 60 new contracts and administer an estimated 650 contracts in Material Sales.
- Process 30 Easements; administer 2,400 Easements.
- Issue 50 Plat Approvals.
- Process 15 new ILMA applications and administer 1,000.
- Coal Regulatory: Process 4 new mine permits; administer 11 existing mine permits; and 7-9 exploration permits.
- AML: Haz-Mat removal Healy Cr wash plant; Slipper Lk hill removal & phase I reveg; drill & map Jonesville coal fire extents; misc non-coal hazrd remov
- AML: Administer \$1,700,000 in capital projects.
- MPM: Process 45,400 new and exist'g locations represent'g 4,068,016 acres under location; process 250 claim conversions and administer 40 coal leases.
- APMA: Administer an est. 372 mine permits; accomplish reclamation with less than 5,537 acres of cumulative disturbance for the industry.
- LMP: process new reclamation & closure plan & bond review for Red Dog; inspection and regulatory compliance of existing hardrock mines.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$10,754,600

Personnel:

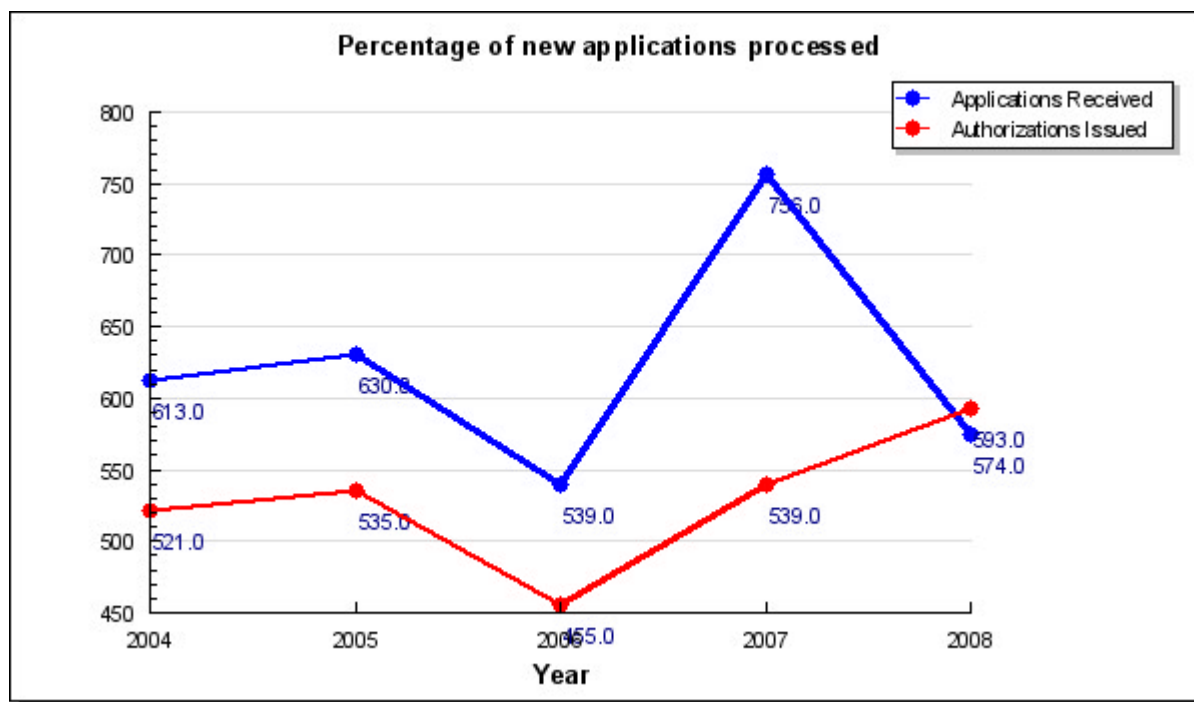
Full time	110
Part time	0
Total	110

Performance

A: Result - Industry and individuals obtain authorizations necessary for the environmentally sound use and development of state land and resources.

Target #1: Process 90% of new applications received.

Status #1: In FY08 the Division processed 103% of applications received, showing that some of the backlog was eliminated.



Percentage of new applications processed

Year	Applications Received	Authorizations Issued	YTD Total
2008	574	593	103 %
2007	756	539	71%
2006	539	455	84%
2005	630	535	85%
2004	613	521	85%

Analysis of results and challenges: * The division saw a 24% decrease in applications from the previous year.

* The division was able to process 10% more authorizations than in the previous year.

* Although the division was able to process more this year, this has barely made a dent in the backlog from previous years. For example, there are still 660 easement and 321 lease applications in backlog.

* While some areas the division is exceeding the new application workload, thus delving into the backlog, other programs are still falling behind. The division only processed 23% of the upland and tideland lease applications and 47% of the easement applications received this fiscal year.

* Each new authorization issued creates a new workload of contract administration, billing, monitoring, and compliance, and close out, all of which is not reflected in these numbers.

* The division expects there to be more applications in future years as the economy turns up and because the state

is receiving an additional two million acres per year of state owned land.

* The many requests from the public and legislators for active land management that does not involve issuing an authorization are increasing rapidly. The substantial amount of time staff spends on these issues takes them away from their duties to process authorizations.

In general, many types of businesses received authorizations that allowed use of state land for financial gain. Authorizations in this component benefit utility, oil and gas, mining, commercial recreation, tourism, fishing, construction, and other development industries by giving them legal access to the state owned land and resources. If the division is not able to issue these authorizations in a timely manner, these same industries are adversely affected. Often businesses cannot plan their operations; get investment capital, insurance, or loans if they do not have required land authorizations.

A1: Strategy - Provide a good business environment in Alaska by processing authorizations within expected cycle times.

Target #1: Issue or deny land use permits within 8 weeks of receiving a complete application.

Status #1: The Division processes land use permits with a median cycle time of 12 weeks, not meeting the target.

Median Cycle time

Year	Applications Received	Applications Processed	Cycle Time
2008	205	222	12 Weeks
2007	278	184	10 Weeks
2006	174	194	10 Weeks
2005	175	229	8 Weeks
2004	237	180	8 Weeks

Analysis of results and challenges: Land use permits vary in complexity and demand on staff time. In some cases, the division must deal with extensive public comment and considerable use conflicts. This variable is very difficult to control. This increase in cycle times is partially reflective of that variability.

In addition, much staff time is spent dealing with customer requests that are related to land use but may or may not result in a land use permit but are directly related to evaluating and insuring the appropriate use of state land.

The current staffing level does not allow adequate field inspections and management of existing land use permits or the other related land use management.

This cycle time does not include some of the land use permits that remain in backlogged status for various reasons.

Land use permits are often used by businesses that rely on building short term (5 years or less) infrastructure such as temporary housing structures, camps, docks, temporary cross country travel, or temporary construction efforts on roads. These are issued to businesses in the oil industry, commercial recreation, transportation, fisheries, and mining.

Target #2: Process private exclusive easement applications for new sites within 2.0 years and public easements within 12 months of receiving a complete application.

Status #2: The backlog continues to increase as the division can not process as many applications as it receives for easements.

Median Processing Cycle Time

Year	Private Exclusive Issued	Private Cycle Time	Public Issued	Public Cycle Time
2008	6	8 Years	29	18.5 Months
2007	7	1.67 Years	46	28 Months
2006	9	3.75 Years	45	14.5 Months
2005	11	8 Years	48	7 Months
2004	11	4 Years	50	24 Months
2003	6	2 Years	10	32 Months

Methodology: Cycle times are derived from those cases authorized each FY.

Analysis of results and challenges: The reason for the excessive swing in processing times is because very few of the easements are processed the same year they are received. Therefore depending on when easements are developed and surveyed, many years or months may pass.

Staff has issued access authorizations for approximately half the number of easements that were applied for in FY08.

Relatively few private exclusive easements are issued because most individuals and businesses do not want to pay for the yearly rental, and they are more challenging to adjudicate because they prohibit other uses. These are generally for mining roads, oil and gas development, entrances to hotels and other specific commercial purposes. Depending on location and nature of proposed use, these can engender substantial public comment and controversy. They require title report, survey and in some instances, an appraisal.

The majority of the easements issued are public or non-exclusive easements, but not necessarily less complex. The majority are more routine and can be processed in less time than private easements. They often require public notice, title research, and survey. These can include easements for road and trail access, utilities, waterlines, and other purposes.

In both of these cases the division issues early entry authorizations, often within 1-2 months, that allows some construction to begin, followed by a survey after construction. The easements are often issued once the construction and the survey requirements are fulfilled by the applicant. This can cause delays in issuance even though the use and enjoyment of the land has been obtained. The division has created some easier survey standards for trail easements in order to speed up the processing times. Some of the most routine and non-complex easements can be issued in 2 months.

Growing demands for legal access and active easement management mixed with increasing complexity of land ownership have exceeded the staff capacity. Encroachments, misuse of easements, blockage of access, and a wide assortment of requests are received weekly by the easement management staff.

Another contributor to the increasing backlog is the substantial bottlenecks in the required support functions of title reporting and surveys. New regulations are required to help streamline processing by resolving some of the time consuming work that does not have clear policy.

As public access is one of the fastest growing and controversial issues the division faces, a substantial amount of effort is required to respond to both applications and the public requests for resolving access conflicts. Without the appropriate legal access preserved, Alaskans can be prevented from accessing private and state land when land ownership patterns change. This has led some that did not have legal access established to be cut off from their own land or require that they purchase access at a much higher price from subsequent land owners.

Target #3: Enter new mineral location notices into the Land Administration System within 2 weeks of receiving appropriate documentation and payment.

Status #3: The division is taking longer to get the mining data in the Land Administration System.

Year	YTD Total
2008	4 wks
2007	3 wks
2006	2 wks
2005	2 wks
2004	2 wks
2003	2 wks
2002	4 wks

Analysis of results and challenges: With the high mineral prices, there have been a lot of mineral claim staking, increasing the workload.

It is very important to mining businesses to quickly get the mineral location notices entered into the case management system called the Land Administration System (LAS) in order to prevent overstaking. Additionally miners want to see the claims on the DNR mapping records at the same time, but the tabular data entry in LAS is required first.

Target #4: Process 100% of easement vacation requests received.

Status #4: The Division almost met the target, but this does not address the backlog of vacation requests.

Percentage of Vacation Requests Processed

Year	# Requests Received	# Processed	YTD Total
2008	25	23	92%
2007	23	18	78%
2006	42	32	76%
2005	40	28	70%
2004	41	20	49%
2003	41	18	44%

Analysis of results and challenges: The percentage increase is reflective of the drop in number of applications. In 2007 when the fees increased to reflect the work being done, the number of applications dropped by half.

The Division has 86 files that are pending (backlog), meaning we are waiting for them to go into agency review, we need more information from the petitioner, we are waiting for a petitioner response, or the plats need to be recorded. Vacation decisions have to gain concurrence from DOT/PF. With the more complex land ownership, receiving a vacation that provides equal or better access is becoming more difficult.

When the division does not process an easement request, private land owners are sometimes prevented from selling or subdividing their land the way they desire. In some cases, vacating an easement can mean the difference between a buildable parcel and one that does not have suitable building space. Under current statutes, there is no reimbursement to the state for the loss of the access right if an easement is vacated even though the land value usually increases from removing the encumbrance.

Target #5: Process upland and tideland leases within 2.5 years of receiving a complete application.

Status #5: The division has a growing backlog of lease applications and is taking longer to process them.

Processing Cycle Time

Year	Applications Received	Applications Processed	Processing Cycle Time
2008	13	3	2.9 Years
2007	22	10	3.6 Years
2006	27	9	2.1 Years
2005	30	6	7 Years
2004	21	19	2 Years

Methodology: Cycle times derived from those cases processed each FY.

Analysis of results and challenges: Leases require title research, survey, and appraisal before issuance of a lease. Occasionally some use can be approved through an early entry authorization while the lease is being adjudicated. Leases vary in complexity and time to complete. We are experiencing a growing backlog of leases that can not be completed with existing staff. As with easements, we also have a bottleneck to reach completion without adequate staffing in surveys and title. We do not expect cycle times to improve without additional staffing. This lengthy cycle time is unacceptable for businesses to make any sort of investment decisions with that type of uncertainty.

B: Result - The use of state land provides either direct or indirect economic benefit to the state.

Target #1: Generate \$10 million in revenue (\$3 million more than the General Fund cost to this component).

Status #1: The division exceeded its target revenue in FY08.

CPL Revenues

Year	YTD Total
2008	\$11.4 M
2007	\$13 M
2006	\$9.4 M
2005	\$9.9 M
2004	\$8.5 M
2003	\$8.5 M
2002	\$8.5 M
2001	\$9.8 M

Analysis of results and challenges: Most of these revenues go to the general fund with some program receipt authority funding the component. These revenues come from a variety of sources and industries.

B1: Strategy - Generate more revenue than the component costs.

Target #1: 5 out of 19 programs (authorization types) will generate more revenue than they cost to run.

Status #1: The division met its target of having 5 of 19 programs generate more revenue than they cost.

Number of profitable programs

Year	YTD Total
2008	5
2007	6
2006	5
2005	5
2004	6
2003	5

Analysis of results and challenges: Although profitable as a whole, not every program in this component earns a profit. Some of the programs are very effective and provide sought after services to industry in Alaska yet are not high revenue producers. This shows that less than half of the programs actually carry some of the other programs

financially.

The programs that cost less than the revenue produced include Commercial Recreation Permits, Log Transfer Facilities, Mineral Property Management, Placer Mining Applications and Material Sales.

Target #2: Generate \$3.7 million net revenue through processing of mining claims, mineral leases, and annual placer mining applications.

Status #2: The division did not meet the target of \$3.7 million in net revenues for mining.

Net revenue

Year	YTD Total
2008	\$2.1 M
2007	\$4.0 M
2006	\$4.9 M
2005	\$3.7 M
2004	\$3.7 M
2003	\$3.2 M
0	0

Analysis of results and challenges: The net revenue shown is the gross revenue (\$3.5 M) minus the operating costs (\$1.4 M). Mineral prices have fluctuated some from the previous year and claim activity has remained similar to the previous year.

Target #3: Generate \$1.5 million net revenue through processing of material sale applications in FY09.

Status #3: The Division generated almost double the FY08 material sale revenue target.

Net revenue

Year	YTD Total
2008	\$2,917.4
2007	\$2,235.7
2006	\$765.9
2005	\$532.4
2004	\$148.2
2003	\$718.3

Analysis of results and challenges: Material sales program cost \$632.6 and generated \$3,550.0 in revenue. The majority of the revenue is generated by gravel extraction used for construction projects. Oil and gas projects on the North Slope have generally been the largest construction projects using gravel. As exploration and development increase on the North Slope, it is expected to bring in more material sale revenues.

During FY07 the division reassessed the material sale prices statewide and published a new fee schedule as required by statute. This was based on reviews of market costs for materials. All the fees increased. This brought in increased revenues in FY08 and similar results are expected in FY09.

C: Result - Manage state land and resources in an environmentally sound manner that sustains current and future use.

Target #1: Authorize 100 miles of ice road construction on the North Slope.

Status #1: The Division authorized 247 miles of ice road construction in an environmentally responsible manner during FY08.

Miles of Ice Roads Constructed

Year	# of Roads Authorized	Miles Constructed
2008	29	247
2007	24	204
2006	16	113
2005	11	99
2004	16	117

Methodology: Does not include some of the smaller projects.

Analysis of results and challenges: In order to allow heavy machinery to repetitively cross the tundra on the North Slope during the winter for oil and gas development, ice roads must be constructed, distributing the weight of the equipment and protecting the tundra. ML&W staff reviews conditions before work begins, monitors progress, and often does site inspections the following summer to inspect for damage. ML&W is evaluating various procedures used to construct ice roads in order to determine the method that causes the least impact. ML&W will halt ice road construction if damage is occurring during the construction. Therefore, appropriate ice road construction is essential to not delay oil and gas development and exploration.

C1: Strategy - Monitor authorized activities to insure that regulations and stipulations are followed.

Target #1: 100% of required mineral reclamation is accomplished without significant environmental problems.

Status #1: Only 12% of the compliance directives were unabated at the end of FY08, but mostly these were due to the timing of the fiscal year.

Percentage of unabated compliance actions

Year	YTD Total
2008	12%
2007	25%
2006	17%
2005	20%
2004	0%
2003	0%

Analysis of results and challenges: FY08 Results

Notice of Violation: 0 Issued, 0 Abated, 0 Outstanding

Cessation Order: 0 Issued, 0 Abated

Directive: 16 Issued, 25 Abated, 3 Outstanding

The coal program staff closely monitors coal reclamation projects to insure that they meet strict stipulations and standards designed to protect the environment. DNR inspects coal mining operations and can perform various levels of compliance actions. In severity from least severe to most, a Directive is an informal warning that tells the company how to fix the problem but allows operations to continue; a Notice of Violation is a monetary fine given when a company fails to meet the directive or there is immediate harm to the environment or public safety; and a Cessation Order stops operations and assesses a daily fine until the issue is resolved. DNR has taken actions to mitigate or stop environmental damage in a way to least impact the commercial ventures, and most have been successfully abated.

Some of the abated directives were outstanding at the end of FY07.

Target #2: Conduct site inspections of 20% of active land use permits.

Status #2: While the division came close to meeting its target, the target was already lowered to the absolute minimum that should be inspected.

Percentage of LUPs inspected

Year	YTD Total
2008	18%
2007	20%
2006	10%
2005	15%
2004	15%
2003	25%
2002	14%

Analysis of results and challenges: Although the division almost met its statewide target, the percentages are not spread evenly over the regions. In Southeast Alaska, the division only inspected about 5% of the Land Use Permits. It is unfortunate to note that about three additional trespass uses were revealed for every authorization inspection trip. This just highlights the growing need to not only inspect current authorizations, but also to regularly inspect state lands.

Periodic inspections of a portion of the businesses authorized under land use permits insure better compliance of the stipulations and conditions. Correcting non-compliant actions protects the environment, reduces the state's potential liability, prevents trespass, and prevents social conflicts. Inspecting 20% of the authorized activities are a bare minimum that should be done. In some cases, such as when the division permits cross country travel to get equipment to a mining development, it is very important to assess impacts both to protect the environment, and also to refute or confirm accusations about the impact of mining operations. The division currently gets more complaints about non-compliant Permittees than we can investigate. Therefore, we need to increase site visits but are unable to do so with current staffing levels and travel budget. In the highly competitive world of commercial recreation guide services, it is important to insure the legitimate businesses that we will investigate the businesses that are going beyond the authorized use, like putting up structures or staying in camps longer than authorized. Because the same staff conduct field inspections and processes the land use permits, if more time is spent in field inspections, fewer permits are processed.

C2: Strategy - Identify unauthorized activities and either bring activity into compliance or start trespass case.

Target #1: Resolve trespass cases for all identified illegal activities that are not brought into compliance.

Status #1: Backlog of trespass continues to grow. There is a blatant misuse and illegal use of state land by some individuals and businesses.

Number of new trespass cases

Year	New Cases Initiated	Cases Resolved	Backlog	% of Backlog Resolved
2008	28	24	544	0%
2007	30	16	522	0%
2006	30	28	508	0%
2005	21	11	506	0%
2004	21	22	496	.2%
2003	14	10	497	0%

Analysis of results and challenges: The backlog of trespass cases continues to grow as the division does not have sufficient staff or funding to resolve these cases. The same staff does both the land and resource stewardship functions as well as issue authorizations. The focus has been on legally authorizing individuals and businesses, forcing the division to ignore much of the blatant trespass activity.

Trespassing often results in damage to state land and resources, prevention of lawful use of state land, delays land disposals, and is inequitable to Alaskans who legally use state land and resources. In many cases this results in lost revenues to the state. Typical examples of trespassing include unauthorized cabins, road, and utility building without easements, long term equipment storage, dumps, abandoned cars, abandoned vessels, and airstrip creation. Trespass also includes businesses that conduct business on state land for financial gain without getting appropriate

authorizations and paying applicable fees.

There are many cases of trespass on state land, often unreported. Even when reported, the cases often are not documented as a case cannot be placed on the land records until there is substantiation with a field visit. Therefore the current inventory of 522 trespass cases is a significant understatement of the amount of unauthorized use of and damage to state land. When reported with enough substantiated information, a trespass file is created to document the illegal use. This information is noted to the plats and public record. Future decisions about use of that land will consider the effects of the trespass. Unfortunately, there is not enough staff or resources to adequately address the majority of the trespass issues. The same staff that process applications for legal use of state land are also responsible for addressing trespass cases. Any work done on trespass usually delays some form of an authorization from being adjudicated. Therefore, typically the more egregious cases are prosecuted or resolved. This is a very expensive and time consuming process. Trespass cases are closed when the use has been brought into compliance or the damage or use has been removed.

Unaddressed trespass typically encourages further additional trespass by others. Ideally, the division should work through all existing backlog and other non-reported cases to keep the state land and resources in prime condition for use. Unfortunately, the magnitude of the problem is intensifying with the increased population and use of state lands and the existing staff will not be able to get ahead of the growing backlog.

C3: Strategy - Restore, reclaim, or rehabilitate damaged, polluted or abandoned sites.

Target #1: Remove four identified hazardous sites through reclamation efforts.

Status #1: The Division exceeded its target.

Number of hazardous sites reclaimed

Year	YTD Total
2008	11
2007	34
2006	12
2005	9
2004	14
2003	3
2002	10

Analysis of results and challenges: ML&W has an obligation to manage the state land for sustained use.

Hazardous materials contaminating the state land prevents future development and disposals, is a health and safety risk, and a liability. There is a substantial workload associated with cleaning up sites, whether through contractors or by cooperation with other agencies. Some of the projects are from the efforts of the Abandoned Mine Land Program. This includes the clean up and rehabilitation of coal and non-coal mining properties, often abandoned. This could be hazardous equipment, containers, open adits or pits, and other hazardous remains left by miners. Current mining programs have much tighter regulation of reclamation when mines close.

In addition these figures include sites on state land that had hazardous materials such as petroleum products, batteries, or asbestos. Some are large projects and some are small clean ups that prepare land to be sold. In some cases, the division coordinates with other agencies and funding sources (when available) to clean up sites. The division often inherits from other agencies problem properties with hazards that are returned to DNR as the state land owner. An example would be the Copper Center School that is an attractive nuisance where people break in and vandalize an asbestos laden site.

Target #2: Remove 8 shipwrecks and abandoned vessels that restrict the use of state tidelands, shore lands, and submerged lands.

Status #2: The division exceeded the target but the backlog grew.

Shipwrecks and abandoned vessels removed

Year	Number of new reported	YTD Total
2008	28	20
2007	28	21
2006	10	10
2005	8	7
2004	8	8

Analysis of results and challenges: Shipwrecks and abandoned vessels encumber the state tidelands, shorelands, and submerged lands. Sometimes these vessels also present a hazardous materials risk. Other times contaminants have been removed but the vessel remains because of the high cost for removal. Depending on location, these vessels can prevent other legitimate use of state lands because of their occupancy of state land. They can also pose hazards to navigation. They can have an effect on private property values, block public access along tidelands, and tie up key anchorage locations.

Private vessel owners are responsible for the removal of the vessels. The division works with vessel owners, other agencies, and insurance companies to get the vessels removed and properly disposed. The division does not have funding to remove these vessels but commits a substantial amount of staff time coordinating the removal. The division typically only addresses the ones that are the subject of complaints. Often the division must track down the vessel owner and pressure the owner to remove the vessel under the risk of civil action to recover the cost of removal. Sometimes we are able to work with scrap metal companies to arrange for removal at discounted cost or for free.

The backlog has increased slightly, with 70 identified vessels that have not been removed. There are many other unreported vessels. This will continue to be an obligation well into the future.

Component: Land Sales & Municipal Entitlements

Contribution to Department's Mission

To make land available for private and public use by present and future Alaskans by conveying title to individuals through direct land sale programs and to municipalities under the entitlement and other programs.

Core Services

- Tidelands and land transfers for public purposes. Involves the transfer of state tidelands to municipalities and state uplands for public purposes.
- Land sales to the public.
- Land transfers to municipalities. Involves the conveyance of state land to municipalities. The current program focuses on the conveyance of large blocks of state land to boroughs.
- Land planning for disposal and development. Involves identifying land for settlement and development purposes, to support conveyances to municipalities and land disposals to the public. Two land plans have been initiated that should identify land for disposal purposes in the Susitna Valley and the Tanana Valley.
- Land exchanges to the public and public entities. There are no scheduled land exchanges during this fiscal year.

End Result	Strategies to Achieve End Result
<p>A: An adequate amount of state land is transferred into private ownership by individual Alaskans and to Municipalities for settlement, recreation, development and other uses.</p> <p><u>Target #1:</u> Sell 300 parcels of land (approximately 3,000 acres) per year.</p> <p><u>Status #1:</u> The division continues to exceed the target of selling 300 parcels of land.</p> <p><u>Target #2:</u> Provide Alaskans local governance and use of state land by transferring of 25,000 acres of state land to municipalities under the Municipal Entitlement Act.</p> <p><u>Status #2:</u> The Division fell short of its target of transferring 80,000 acres to municipalities.</p> <p><u>Target #3:</u> \$2.5 million is the target - our goal is to ensure that state land sales pay for program costs and generate a return to the state treasury.</p> <p><u>Status #3:</u> Although the division met the target of earning \$2.5 million in revenue from land sales, there was a reduction of revenue from the previous year.</p>	<p>A1: Offer land for sale to the public through a variety of programs.</p> <p><u>Target #1:</u> Offer 1,700 parcels of land for sale over-the-counter (OTC).</p> <p><u>Status #1:</u> The division did not meet its target.</p> <p><u>Target #2:</u> Offer 200 Remote Recreation Cabin Stakings (RRCS).</p> <p><u>Status #2:</u> Did not meet the FY2008 target of 250 stakings offered.</p> <p><u>Target #3:</u> Offer 200 parcels of land at auction.</p> <p><u>Status #3:</u> The division did not meet its FY08 target.</p> <p><u>Target #4:</u> Process 10 Preference Rights Applications.</p> <p><u>Status #4:</u> The division met its reduced target in FY08.</p> <p>A2: Identify and classify land for future land sales, transfers to municipalities, and other resource development.</p> <p><u>Target #1:</u> Revise one land use plan to classify the appropriate use of state land, including settlement, other forms of development, and transfer to municipalities.</p> <p><u>Status #1:</u> The Division exceeded its target.</p> <p><u>Target #2:</u> Classify 50,000 acres of land for settlement (for future municipal entitlements or land sales) or to support other forms of development (agriculture, forestry, mineral development) in FY09.</p>

	<p><u>Status #2:</u> The division fell short of its target.</p> <p>A3: Sell state land at fair market value to generate revenue to pay for future land sale costs and generate return to the General Fund, including long-term return through land sale contracts.</p> <p><u>Target #1:</u> Collect an estimated \$5.8 million in annual revenue from various land sale programs in FY07.</p> <p><u>Status #1:</u> The Division met the target but earned less revenue than the last fiscal year.</p> <p><u>Target #2:</u> Maintain 2,200 land sale contracts from past land sales.</p> <p><u>Status #2:</u> It is about the same as last year.</p> <p>A4: Transfer state land to municipalities to encourage their growth and development, to generate revenue for municipalities, and for municipal land sale programs.</p> <p><u>Target #1:</u> Approve transfer of 25,000 acres to municipalities in FY09, and 20,000 acres in FY10.</p> <p><u>Status #1:</u> The Division exceeded its target.</p>
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Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Offer 200 parcels at auction. Parcels which do not sell at auction are offered over the counter. • Sell 300 parcels of land per year, through auctions, Over-the-Counter, Preference Right applications, or finalized sales from RRCS staking program. • Grant 200 remote recreation cabin staking authorizations. • Process 10 preference rights applications. • Issue 300 deeds to transfer title once full purchase price is paid. • Identify and classify at least 10,000 acres of land for settlement through land use plans. • Identify and classify at least 40,000 acres for potential transfer to municipalities and other resource development. • Revise or prepare 3 land use plans. | <ul style="list-style-type: none"> • Appraise 200 new parcels being offered for sale. • Actively market the OTC parcels and auction parcels through public information campaigns. • Accept down payments and enter into purchase agreements or long-term sale contracts with new purchasers. • Maintain and collect payments for land sale contracts from past land sales. • Issue final administrative decisions to approve municipal selections for 60,000 acres. • Issue patents or other deeds to municipalities for 6,000 acres. • Issue final administrative decisions and issue patents to municipalities for 4 tidelands tracts. |
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FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$4,085,200

Personnel:

Full time	47
Part time	0
Total	47

Performance

A: Result - An adequate amount of state land is transferred into private ownership by individual Alaskans and to Municipalities for settlement, recreation, development and other uses.

Target #1: Sell 300 parcels of land (approximately 3,000 acres) per year.

Status #1: The division continues to exceed the target of selling 300 parcels of land.

Number of Parcels sold

Year	Acres	YTD Total	Target
2008	3,816	517	300
2007	5,088	450	300
2006	4,426	477	300
2005	3,251	374	450
2004	1,694	575	410
2003	4,647	605	150
2002	2,879	470	150

Analysis of results and challenges: The results are a combination of the auctions and over-the-counter sales. The Division exceeded its target, but it is becoming increasingly difficult to meet the targets due to several reasons. There are less and less desirable areas available that are classified settlement in the area plans. When sale areas or parcels are identified in organized boroughs, the boroughs are placing increasingly more difficult requirements on the state before their platting authorities will approve the sales.

This places the division in the position of having to drop some desirable areas. The timeline to produce land disposals with the given land ownership patterns, borough restrictions, and access development requirements, is becoming difficult. In the two previous fiscal years, there was a substantial amount of old disposals that could be reoffered to help meet this goal but now there is a greater workload to prepare new areas that were not previously offered.

Compounding the difficulty are the problems with keeping full staffing levels. Salaries that do not compete with the private market, federal agencies, and boroughs make it very difficult to maintain the staffing levels that are crucial to push forward these sales under very tight deadlines.

In some areas there are land stewardship issues that must be resolved before land can be offered. The land sales unit along with the Division of Mining Land and Water (MLW) Regional Office staff must resolve trespass structures, access issues, and remove trash and hazardous materials before some land can be offered.

Target #2: Provide Alaskans local governance and use of state land by transferring of 25,000 acres of state land to municipalities under the Municipal Entitlement Act.

Status #2: The Division fell short of its target of transferring 80,000 acres to municipalities.

Acres transferred to municipalities

Year	YTD Total
2008	44,784
2007	24
2006	243,350
2005	27,306
2004	24,811

Analysis of results and challenges: In FY03, the legislature agreed to fund a comprehensive, public process to ensure that several boroughs with large remaining entitlements could get the land owed them by the state. The six boroughs targeted through this project were: Yakutat, Aleutians East, Lake and Peninsula, Northwest Arctic, Denali and North Slope. As a result, decisions to convey land to Yakutat, Aleutians East, Lake and Peninsula, Matanuska-

Susitna, and North Slope Boroughs have occurred. In FY07 decision acreage dropped due to negotiations with municipalities in making selections, plan amendments necessary for conveyances and policy issues. In FY08 conveyance decisions increased substantially, with conveyances made to the Lake and Peninsula Borough and North Slope Boroughs.

The amount of land conveyed in any one year to municipalities under this program can vary greatly since the conveyance decisions are dependent upon revisions to area plans and since the length of time to complete conveyance decisions can vary greatly, depending on complexity and the results of the public review process. The boroughs remaining to be completed are complex and require additional processing time to complete.

Target #3: \$2.5 million is the target - our goal is to ensure that state land sales pay for program costs and generate a return to the state treasury.

Status #3: Although the division met the target of earning \$2.5 million in revenue from land sales, there was a reduction of revenue from the previous year.

Annual net revenue from state land sales

Year	YTD Total
2008	3.0 Million
2007	3.6 Million
2006	2.5 Million
2005	2.1 Million
2004	3.4 Million

Analysis of results and challenges: Total Receipts in FY08: \$6.3 million

Total Costs in FY08: \$3.2 million

In addition to increasing the numbers of parcels sold, the new parcels developed are of greater quality and net greater revenue. The net revenue will continue about the same in FY09 because we will sell fewer parcels, but with higher values, and it will take more effort to meet some of the other requirements to get the parcels to market. It is becoming more difficult to meet our original goal of offering 300 (new) parcels each year to sustain the revenue stream. This has become difficult due to the scarcity of good land along roadways, difficulty in meeting borough, federal, and the Department of Transportation and Public Facilities (DOT/PF) requirements, and staff shortages. To keep the revenue stream, the division is focusing on providing higher value parcels because of the expected reduction of parcels offered

The impact of heavy staff shortages in FY07 negatively impacted the number of parcels sold in FY08. In addition, the weakening economy appears to be negatively affecting the number of purchases.

A1: Strategy - Offer land for sale to the public through a variety of programs.

Target #1: Offer 1,700 parcels of land for sale over-the-counter (OTC).

Status #1: The division did not meet its target.

Year	YTD Total
2008	1,508
2007	1,772
2006	1,560
2005	2,783
2004	3,427
2003	3,200
2002	2,418

Analysis of results and challenges: The number of OTC parcels available for the year is the amount that is available on July 1, of each year. The number will gradually decrease until OTC parcels are a minimal portion of land sales. It is hoped that this loss of revenue will be made up with the higher quality auction parcels.

The division sold more OTC parcels this year than in the two previous years.

Target #2: Offer 200 Remote Recreation Cabin Stakings (RRCS).

Status #2: Did not meet the FY2008 target of 250 stakings offered.

Year	YTD Total
2008	215
2007	233
2006	285
2005	270
2004	266
2003	231
2002	295

Analysis of results and challenges: The entire number of Remote Recreational Staking Authorizations offered each year is the amount offered in the July lottery.

The increased complexity of requirements from the boroughs, DOT/PF, and the Corps of Engineers, makes it unrealistic to meet the original goal of 250 parcels in FY09.

Target #3: Offer 200 parcels of land at auction.

Status #3: The division did not meet its FY08 target.

Year	YTD Total
2008	211
2007	177
2006	209
2005	158
2004	139
2003	0
2002	40

Analysis of results and challenges: As is often the case, many more parcels were originally intended for this auction, but were dropped because of access issues, borough and DOT/PF requirements causing delays, trespass, hazardous materials and other obstacles that need to be addressed before sale. Not all auction parcels will be new subdivisions, but may include reoffers of previous sales on which better access, roads or utilities, hazmat cleanup or trespass removal has occurred.

Although the numbers of parcels have dropped, we have maintained the revenue earned from land sales because we are offering better parcels or parcels that have better access.

Target #4: Process 10 Preference Rights Applications.

Status #4: The division met its reduced target in FY08.

Year	YTD Total
2008	10
2007	27
2006	29
2005	26
2004	25
2003	12
2002	10

Analysis of results and challenges: As expected, the division processed more complex cases during FY08, slowing down the volume of applications that were processed.

A2: Strategy - Identify and classify land for future land sales, transfers to municipalities, and other resource development.

Target #1: Revise one land use plan to classify the appropriate use of state land, including settlement, other forms of development, and transfer to municipalities.

Status #1: The Division exceeded its target.

Number of Land Use Plans

Year	YTD Total
2008	2
2007	0
2006	2
2005	2
2004	1

Analysis of results and challenges: Land use plans often take more than one year to complete and the Division is often working on several at any one time. Therefore, as reflected in the statistics, the number of plans issued in any given year may fluctuate.

Land use plans are the commissioner's decision on the appropriate use of the state land. They direct the appropriate development, settlement, and protection of state lands. Plans are developed through a transparent public process. The classification of lands through a planning process is essential before land can be conveyed to boroughs, municipalities, and Alaskans.

Target #2: Classify 50,000 acres of land for settlement (for future municipal entitlements or land sales) or to support other forms of development (agriculture, forestry, mineral development) in FY09.

Status #2: The division fell short of its target.

of acres classified for settlement and other disposals

Year	YTD Total	Target
2008	35,477	30,000
2007	0	30,000
2006	147,700	200,000
2005	742,500	500,000
2004	47,000	50,000

Analysis of results and challenges: In 2008, 35,477 acres were classified for settlement in two area plans – Southeast Susitna and Southwest Prince of Wales. An additional 73,000 acres was classified Forestry in the Susitna Valley. In 2009, it is anticipated that 138,000 acres will be classified Settlement in the revision of the Northwest Area Plan and an amendment to the Tanana Basin Area Plan. The reclassifications to Settlement in the Tanana Basin Plan directly support the Denali Borough's entitlement. An additional three million acres is to be classified for mineral or coal development in the Northwest Area Plan. Often, there may be substantial differences between area plans in the acres classified for settlement, agriculture, and other land disposals. This results from the timing of area plan adoption, which varies from year to year. The classification or reclassification of state lands, which results from the adoption of these plans, therefore also varies annually significantly.

A3: Strategy - Sell state land at fair market value to generate revenue to pay for future land sale costs and generate return to the General Fund, including long-term return through land sale contracts.

Target #1: Collect an estimated \$5.8 million in annual revenue from various land sale programs in FY07.

Status #1: The Division met the target but earned less revenue than the last fiscal year.

Year	YTD Total
2008	\$6.3 M
2007	\$7.0 M
2006	\$6.3 M
2005	\$5.2 M
2004	\$5.3 M
2003	\$4.6 M
2002	\$3.0 M

Analysis of results and challenges: The over-the-counter (OTC) inventory is reducing in size as more parcels are sold, which should lead to a gradual reduction in number of sales for FY09. The high staff turnover in FY07 had a noticeable effect on our ability to offer as many parcels in FY08. On the other hand, we are creating higher priced and more desirable parcels. With the weakened economy in early FY09, we are seeing less land purchased, which will show in FY09 results.

Target #2: Maintain 2,200 land sale contracts from past land sales.

Status #2: It is about the same as last year.

Year	YTD Total
2008	2,560
2007	2,567
2006	2,096
2005	2,071
2004	1,878
2003	1,496
2002	1,398

Analysis of results and challenges: About 80% of all purchasers request a land sale contract. This means that revenue from prior sales is received over a period of years and multiple payments. When someone pays off the contract and receives a patent, the contract is closed and archived. Therefore there is some fluctuation in numbers of contracts administered.

A4: Strategy - Transfer state land to municipalities to encourage their growth and development, to generate revenue for municipalities, and for municipal land sale programs.

Target #1: Approve transfer of 25,000 acres to municipalities in FY09, and 20,000 acres in FY10.

Status #1: The Division exceeded its target.

Year	YTD Total
2008	44,784
2007	24
2006	243,350
2005	27,306
2004	24,810

Analysis of results and challenges: In FY03, the legislature agreed to fund a comprehensive, public process to ensure that several boroughs with large remaining entitlements could get the land owed them by the state. The six boroughs targeted through this project were: Yakutat, Aleutians East, Lake and Peninsula, Northwest Arctic, Denali

and North Slope. As a result decisions to convey land to Yakutat, Aleutians East, Lake and Peninsula, Matanuska-Susitna Borough and North Slope Boroughs have occurred. In FY08 conveyance decisions were issued totaling 44,784 acres to the Lake and Peninsula Borough and North Slope Boroughs. FY 09 conveyances are estimated to be 25,000 acres for the Denali and North Slope Boroughs. Meeting these performance measures will require revisions to area plans and preparation of site specific plans which are underway.

The amount of land conveyed in any one year to municipalities under this program can vary greatly since the conveyance decisions are dependent upon revisions to area plans and since the length of time to complete conveyance decisions can vary greatly, depending on complexity and the results of the public review process.

Component: Title Acquisition & Defense

Contribution to Department's Mission

To acquire, accept, convey, and defend title to land or an interest in land on behalf of the State of Alaska

Core Services

- Acquisition of state land
- Transfer of land out of state ownership
- Defense and assertions of state ownership interests
- Production of title reports to facilitate resource development
- Defend access to state lands in federal conveyances
- Protect and maintain original title documents that record state ownership or disposals

End Result	Strategies to Achieve End Result
<p>A: Acquire, defend, and maintain clear title to the land promised at Statehood.</p> <p><u>Target #1:</u> Each year, receive an additional 2,000,000 acres of the remaining entitlement of state land. <u>Status #1:</u> Bureau of Land Management (BLM) 2009 staff was able to keep pace with the state hood entitlement conveyances coming in from BLM.</p> <p><u>Target #2:</u> Obtain 5 new Recordable Disclaimers of Interest (RDI) from BLM to clear the cloud of title on state owned submerged land. <u>Status #2:</u> The state did not receive any additional Recordable Disclaimers of Interest from BLM that would help clear up title issues on land under navigable water bodies.</p>	<p>A1: Acquire Land</p> <p><u>Target #1:</u> Each year, receive an additional 2,000,000 acres of the remaining entitlement of state land. <u>Status #1:</u> BLM 2009 staff was able to keep pace with the state hood entitlement conveyances coming in from BLM.</p> <p><u>Target #2:</u> Acquire approximately 5,000 acres of land for public purposes, through purchases, donations, exchanges or other means authorized under statute under the Other State Lands and Limited State Holdings programs. <u>Status #2:</u> The division did not meet the target, primarily due to the work on the University conveyance.</p> <p>A2: Ensure clear title to state land proposed for development by producing title reports for state land.</p> <p><u>Target #1:</u> Provide title reports for approximately 400 parcels or tracts of state land proposed for oil and gas leasing or exploration. <u>Status #1:</u> The division completed all necessary title reports for oil and gas.</p> <p><u>Target #2:</u> Provide title reports for approximately 1,200 parcels of state land proposed for land sales, land lease, timber sales, and other development activities. <u>Status #2:</u> Processed the majority of requests but received fewer requests than in previous years.</p> <p>A3: Facilitate the use and development of state land by preparing title documents (patents, deeds, etc.) to transfer title of state land to private individuals.</p>

	<p><u>Target #1:</u> Issue conveyance documents to all individuals (estimated 650) who have completed their purchase, municipalities once land is surveyed, and other parties.</p> <p><u>Status #1:</u> The division was not able to meet its target.</p> <p>A4: Defend State's title to the land it owns, including land under tidal and navigable waters, and assert public's access rights.</p> <p><u>Target #1:</u> Review approximately 1,500 Native Allotment actions and 300 BLM ANCSA conveyance and ANCSA Section 17(b) access documents affecting state land and ensure that state land and public access issues are adequately dealt with.</p> <p><u>Status #1:</u> The division fell just short of the target.</p> <p><u>Target #2:</u> Respond to 100% of requests for navigability determinations with formal determinations or a lesser response when possible.</p> <p><u>Status #2:</u> The division responded to 100% of requests for navigability determinations, mostly by informing individuals what currently is on record.</p> <p><u>Target #3:</u> Submit Recordable Disclaimers of Interest (RDI) applications for 20 rivers and lakes combined to defend state title of the submerged land acquired at statehood.</p> <p><u>Status #3:</u> The division did not complete the navigability reports for BLM under the Assistance Agreement, therefore there were no new RDIs filed using that research.</p> <p>A5: Maintain records of State Ownership.</p> <p><u>Target #1:</u> Protect all existing state land title documents and establish files for all new documents.</p> <p><u>Status #1:</u> The division continues to maintain all files.</p>
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Major Activities to Advance Strategies

- Review 400 Bureau of Land Management (BLM) and other decisions regarding land transfers.
- Negotiate conditions included in title documents.
- Accept and record title documents for the state.
- Review and accept 150 title documents for the Other State Land and Limited State Holding programs.
- Prepare title reports for state oil and gas lease sales.
- Prepare title reports for state land sales and leases.
- Prepare title reports for state timber sales.
- Prepare title reports for all other state land actions.
- Issue title documents for lands transferred out of state ownership (i.e. to municipalities and individuals)
- Review all Federal Native Allotment actions that may impact state land title or public use and access.
- Review all Federal land conveyance documents (primarily under ANCSA) to ensure that public access is reserved.
- Support litigation in defense of state's land title.
- Create, file, maintain and monitor use of files, all state land records within the Realty Services section (approx. 200,000 documents).

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,583,300

Personnel:

Full time	27
Part time	0
Total	27

Performance

A: Result - Acquire, defend, and maintain clear title to the land promised at Statehood.**Target #1:** Each year, receive an additional 2,000,000 acres of the remaining entitlement of state land.**Status #1:** Bureau of Land Management (BLM) 2009 staff was able to keep pace with the state hood entitlement conveyances coming in from BLM.

Number of acres received

Year	# Acres	Percent of Target
2008	2,431,887	125%
2007	252,451	101%
2006	2,003,879	200%
2005	1,489,618	148%
2004	29,009	12%
2003	102,695	41%
2002	473,625	189%

Analysis of results and challenges: The acres conveyed to the State in FY08 are a direct result of the Transfer Acceleration Act (ALTAA), passed December 10, 2004.

To date the state has acquired approximately 96.7 million acres of the 106 million acres to which it is entitled overall as a result of statehood and various other federal laws. This leaves an outstanding balance of approximately 9.5 million acres that the state has yet to receive. It is anticipated that acres conveyed in FY09 will continue to meet or exceed the 2 million acres conveyed in FY08. Two million acres a year represents approximately 10% of the state's remaining unconveyed entitlement.

Target #2: Obtain 5 new Recordable Disclaimers of Interest (RDI) from BLM to clear the cloud of title on state owned submerged land.**Status #2:** The state did not receive any additional Recordable Disclaimers of Interest from BLM that would help clear up title issues on land under navigable water bodies.

Number of Recordable Disclaimer of Interests (RDI) issued

Year	YTD Total	# of Rivers Included	# of Lakes Included
2008	0	0	0
2007	1	0	1
2006	5	9	7
2005	3	3	2
2004	1	5	0

Analysis of results and challenges: Due to reorganization at BLM, there was not much progress in getting RDIs during FY 2008. There are 18 RDI applications submitted by the state waiting for decisions from BLM. Some of the major river systems under review include the Yukon-Kuskokwim Portage Water bodies and the Kantishna River System.

In 2004, the Bureau of Land Management created an administrative process to file applications to receive Recordable Disclaimers of Interest in order to lift the cloud of title on the state-owned lands under navigable waters. By receiving the Recordable Disclaimers, the State achieves a low cost administrative equivalent of a quiet title action, clarifying title to lands promised under the Alaska Statehood Act, the Submerged Lands Act, and the Equal Footing Doctrine. A single quiet title action can easily exceed \$500,000. A Recordable Disclaimer costs under \$25,000.

A1: Strategy - Acquire Land

Target #1: Each year, receive an additional 2,000,000 acres of the remaining entitlement of state land.

Status #1: BLM 2009 staff was able to keep pace with the state hood entitlement conveyances coming in from BLM.

Number of acres received

Year	# Acres acquired	Percent of Target
2008	2,431,887	125%
2007	2,003,879	200%
2006	1,489,618	148%
2005	29,009	12%
2004	102,695	41%
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Analysis of results and challenges: The acres conveyed to the State in FY08 are a direct result of the Transfer Acceleration Act (ALTAA), passed December 10, 2004.

To date the state has acquired approximately 96.7 million acres of the 106 million acres to which it is entitled overall as a result of statehood and various other federal laws. This leaves an outstanding balance of approximately 9.5 million acres that the state has yet to receive. It is anticipated that acres conveyed in FY09 will continue to meet or exceed the 2 million acres conveyed in FY08. Two million acres a year represents approximately 10% of the states remaining unconveyed entitlement.

Target #2: Acquire approximately 5,000 acres of land for public purposes, through purchases, donations, exchanges or other means authorized under statute under the Other State Lands and Limited State Holdings programs.

Status #2: The division did not meet the target, primarily due to the work on the University conveyance.

Year	YTD Total
2008	1,566
2007	13,670
2006	4,256
2005	8,185
2004	1,674
2003	262,890
2002	116,216

Analysis of results and challenges: OSL: 1559 acres
LSH: 6 acres

The Department has the authority to acquire lands for public purposes where appropriate to further its mission, however, each package varies dramatically in the number of acres and staff time it will require to complete. A single package can result in the acquisition of 10,000 or more acres one year, or several packages processed with the same staff resources may result in just a few acres. FY08 acres represent 17 separate transactions. The location and purpose intended for the lands are the primary criteria that drive how various acquisition opportunities are prioritized annually. The large numbers in FY02 & FY03 were due to Exxon Valdez Large Parcel Acquisitions. The smaller number of acquisitions in FY08 are a direct result of vacancies and recruitment/retention issues. There are a number of acquisitions projects that were started in FY08 that were not completed until FY09; these acreage figures will appear in the FY09 report.

A2: Strategy - Ensure clear title to state land proposed for development by producing title reports for state land.

Target #1: Provide title reports for approximately 400 parcels or tracts of state land proposed for oil and gas leasing or exploration.

Status #1: The division completed all necessary title reports for oil and gas.

Year	YTD Total
2008	97
2007	176
2006	193
2005	224
2004	565
2003	146
2002	384

Analysis of results and challenges: Oil and Gas Lease Sale title reports for several areas of the state were delivered in FY08. Title reports were delivered for 18 tracts Cook Inlet Area wide, 18 tracts North Slope Area wide, 21 tracts Beaufort Sea Area wide, and the 5 tracts North Slope Foothills. In addition, reports were delivered for 7 tracts in the Houston Exploration License and 4 tracts in the Crooked Creek Basin Exploration License, along with 6 Miscellaneous reports. The 79 title reports completed in FY08 represent approximately 390 parcels of land researched. Many of these reports included tide or submerged lands or the submerged beds of river and lakes which increased the complexity and the amount of time needed to complete. All requested title reports were completed.

Target #2: Provide title reports for approximately 1,200 parcels of state land proposed for land sales, land lease, timber sales, and other development activities.

Status #2: Processed the majority of requests but received fewer requests than in previous years.

Year	YTD Total
2008	512
2007	920
2006	788
2005	648
2004	621
2003	556
2002	1,310

Analysis of results and challenges: Staff was able to keep up with the title report requests throughout most of FY 2008. Due to the vacancies and turn over in the Land Disposal Unit we received fewer requests than we have in previous years. Towards the end of the fiscal year several Title Reporting Staff was reassigned to working on the conveyance backlog thus creating the small title report backlog. There were 12 title reports backlogged at the end of FY 2008.

In FY08, 512 parcels of land were researched, many of these reports included tides & submerged lands which increased the complexity and the amount of time needed for completion. Staff turnover resulted in additional time spent training and completing requests.

A3: Strategy - Facilitate the use and development of state land by preparing title documents (patents, deeds, etc.) to transfer title of state land to private individuals.

Target #1: Issue conveyance documents to all individuals (estimated 650) who have completed their purchase, municipalities once land is surveyed, and other parties.

Status #1: The division was not able to meet its target.

Year	YTD Total
2008	455
2007	389
2006	449
2005	466
2004	585
2003	457
2002	287

Analysis of results and challenges: FY08 Realty Services staff issued 455 conveyance documents out of state ownership (State Patents and Quit Claim Deeds) totaling 32,379 acres. Staff vacancies and the training of new staff in both the Land Sales Unit and Realty Services during FY08 created a backlog in the number of conveyances to be issued by the Realty Services Section. An additional 363 requests for conveyance are pending. Staff was diverted from other critical projects in order to address the backlog in conveyance issuance.

A4: Strategy - Defend State's title to the land it owns, including land under tidal and navigable waters, and assert public's access rights.

Target #1: Review approximately 1,500 Native Allotment actions and 300 BLM ANCSA conveyance and ANCSA Section 17(b) access documents affecting state land and ensure that state land and public access issues are adequately dealt with.

Status #1: The division fell just short of the target.

Year	YTD Total
2008	1213
2007	1613
2006	2086
2005	1371
2004	2155
2003	2270
2002	2959

Analysis of results and challenges: FY08 there are 150 Native Allotment reconveyance requests pending (these are in various stages of readiness and we may be waiting on information from other agencies). FY08 the Native Allotment team concentrated on reconveyances for the Bristol Bay region there are 53 in various stages of adjudication. The division received 33 Native Allotment reconveyance requests during FY08.

The smaller number of Native Allotment actions in FY08 are a direct result of vacancies and recruitment/retention issues.

Target #2: Respond to 100% of requests for navigability determinations with formal determinations or a lesser response when possible.

Status #2: The division responded to 100% of requests for navigability determinations, mostly by informing individuals what currently is on record.

Percentage of Determinations Issued

Year	# Requests Received	# Issued	YTD Total
2008	33	33	100%
2007	41	27	66%
2006	28	21	75%
2005	20	10	50%
2004	15	7	46%

Analysis of results and challenges: Navigability Unit received 33 navigability determinations requests from private individuals, state agencies and other organizations. The navigability unit issued responses to 33 of these requests.

Many of these were requests from the public concerned with use of the water bodies. Often the requests were submitted to resolve title specific questions which impacted upland owners, access and use of the waters and submerged lands. Some requests required extensive title research and formal navigability determinations; others are handled with emails summarizing existing information in the files. Only one formal navigability determination was issued and 4 others are in preparation.

Target #3: Submit Recordable Disclaimers of Interest (RDI) applications for 20 rivers and lakes combined to defend state title of the submerged land acquired at statehood.

Status #3: The division did not complete the navigability reports for BLM under the Assistance Agreement, therefore there were no new RDIs filed using that research.

YTD RDI Applications Submitted

Year	# RDI Appl'n Submitted	# Rivers Included	# of Lakes Included
2008	0	0	0
2007	0	0	0
2006	24	19	12
2005	7	6	2
2004	6	10	11

Analysis of results and challenges: In FY08, the division continued work under the federally funded assistance agreement research process. This research project shifts more work up front, providing a basis where many applications can be submitted together for a large area, with the expected substantial decrease in approval time by BLM. Because of changing requirements from BLM, the state was unable to utilize the research products for RDI applications. The state has filed notices of applications for four waterbodies, this starting the RDI application process. It is expected that in FY09, several RDIs will be filed.

Once the reports are completed for the Kuskokwim, there will be numerous water bodies in that region that could receive expedited RDI reviews.

There still are 18 pending RDI applications either under review or in the queue at BLM; therefore, the lack of application submissions is not slowing down BLM's efforts to process applications. Meanwhile BLM is paying for the state to research information that will be valuable for either RDIs or future court actions.

A5: Strategy - Maintain records of State Ownership.

Target #1: Protect all existing state land title documents and establish files for all new documents.

Status #1: The division continues to maintain all files.

Year	YTD Total
2008	199,369
2007	199,300
2006	199,257
2005	199,234
2004	199,500
2003	199,183
2002	199,083

Analysis of results and challenges: The division was able to input all new files (OSL, LSH, and ADL) created by the Realty Services Section as well as clean up and add information to many old files.

Component: Water Development

Contribution to Department's Mission

To facilitate the development and stewardship of Alaska's water resources by authorizing its beneficial uses.

The work within the Water Development Budget Component is intended to accomplish three outcomes:

- I. Manage, Allocate, and Protect the State's Water Resources, and Administer Water Rights
- II. Provide Technical Hydrologic Support
- III. Ensure Safe Operation and Construction of Jurisdictional Dams

Core Services

- Provide water rights and temporary water use authorizations to industry and individual Alaskans
- Provide scientific hydrologic expertise and maintain hydrologic data for use by state government and the public
- Protect public safety and property through ensuring safe dams

End Result	Strategies to Achieve End Result
<p>A: Business and individuals obtain water authorizations for which they apply.</p> <p><u>Target #1:</u> Process 100% of new water right applications received. <u>Status #1:</u> The Division met this target in principle by processing the same number of water rights as applications received.</p> <p><u>Target #2:</u> Process 100% of new temporary water use authorizations received. <u>Status #2:</u> The division was able to process most (88%) of the Temporary Water Authorization requests.</p>	<p>A1: Process water rights and temporary water use authorizations within expected timelines</p> <p><u>Target #1:</u> Process new water right applications within 6 months. <u>Status #1:</u> The time it takes to process new water rights has increased to 15 months.</p> <p><u>Target #2:</u> Process temporary water use applications within 3 weeks. <u>Status #2:</u> The division did not meet its target of processing temporary water use authorizations within 3 weeks of receiving authorizations.</p> <p><u>Target #3:</u> Eliminate 10% to 15% of backlog of water right applications. <u>Status #3:</u> The division was able to reduce the number of backlogged water rights because it processed more applications than it received.</p>
End Result	Strategies to Achieve End Result
<p>B: Provide hydrologic data to the public, industry, and agencies that can be used to determine appropriate use of state water resources.</p> <p><u>Target #1:</u> Provide information, analysis, and response to 1,000 hydrologic customer requests. <u>Status #1:</u> The division responded to over 1,300 hydrologic customer requests.</p>	<p>B1: Post hydrologic data on public well site and provide analysis of hydrologic issues.</p> <p><u>Target #1:</u> Post 100% of new well data received on the WELTS data base web site. <u>Status #1:</u> 100% of new well data received was added to the WELTS database during FY08.</p> <p><u>Target #2:</u> Respond to 100% of requests for analysis of hydrologic issues.</p>

	<p>Status #2: An estimated 90 % of requests for hydrologic issues were addressed.</p> <p>Target #3: Provide hydrologic support to 100% of major industrial projects where requested.</p> <p>Status #3: All known (100%) of major industrial projects where hydrologic support was requested were addressed.</p>
End Result	Strategies to Achieve End Result
<p>C: All dams under DNR jurisdiction are operated safely without failure.</p> <p>Target #1: No jurisdictional dams fail.</p> <p>Status #1: With active oversight and inspections, the division was able to insure no jurisdictional dams failed.</p>	<p>C1: Obtain compliance with regulations that were established to assure the safety of dams under state jurisdiction.</p> <p>Target #1: A current periodic safety inspection on 60% of jurisdictional dams.</p> <p>Status #1: The division almost reached its target by having 58% of the jurisdictional dams with current periodic safety inspections.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Process 250 new water right applications with a median cycle time of 6 months. • Issue 150 temporary water use authorizations with a median cycle time of 3 weeks. • Issue 6 new instream flow reservations. • Process 100 backlog water right applications. • Complete entry of a total estimated 1000 well logs received into the WELTS database. • Provide hydrologic data analysis and interpretation for an estimated 200 requests for assistance. • Provide hydrologic support to 8 major industrial projects such as Point Bullen, and North Slope ice road development. • Participate in the ACWA process. • Secure matching funds needed to support hydrologist positions. 	<ul style="list-style-type: none"> • Provide notice to owners of dams with due or over due periodic safety inspections. • Review & approve periodic safety inspection reports submit to the State and issue Cert. of Approval to Operate a Dam to owners in compliance w/regs. • Review applications and issue Certificates of Approval to construct, repair, modify, remove or abandon a dam. • Process 50 water right extensions, amendments, and revocations, or instream flow applications associated with new water right applications. • Work with the well drillers association to encourage greater compliance with submission of well logs. • Hire an Engineering Assistant for the Dam Safety Unit. • Hire two additional water right adjudicators for the Water Management Unit. • Fund the Alaska Hydrologic Survey and Water Management Units with additional General Funds.

FY2010 Resources Allocated to Achieve Results							
FY2010 Component Budget: \$1,926,000	<p>Personnel:</p> <table> <tr> <td>Full time</td><td>17</td></tr> <tr> <td>Part time</td><td>0</td></tr> <tr> <td>Total</td><td>17</td></tr> </table>	Full time	17	Part time	0	Total	17
Full time	17						
Part time	0						
Total	17						

Performance

A: Result - Business and individuals obtain water authorizations for which they apply.

Target #1: Process 100% of new water right applications received.

Status #1: The Division met this target in principle by processing the same number of water rights as applications received.

Water Rights (WR)

Year	WR processed	YTD Total
2008	211	100%
2007	229	63%
2006	153	90%
2005	185	60%
2004	244	90%
2003	365	100%

Analysis of results and challenges: In addition to processing these permits, there is an increase in permit compliance issues, field inspections, and enforcement actions and litigation of AS 46.15.080 decisions and violations of the Water Use Act.

The transportation, mining, and oil and gas industries, along with community development are dependent on the use of state water appropriation. When authorizations are not provided in a timely fashion, there can be delays in projects, or even the prevention of the project. Water use competition is growing in Alaska with more and more legal challenges to various types of water use authorizations. If these permits are not evaluated properly, there is a risk of individuals and businesses losing their right to appropriate water through legal challenges.

Target #2: Process 100% of new temporary water use authorizations received.

Status #2: The division was able to process most (88%) of the Temporary Water Authorization requests.

Percentage of new Temporary Water Use Auth. Processed

Year	TWUAs processed	YTD Total
2008	216	88%
2007	175	91%
2006	115	100%
2005	160	100%
2004	95	100%
2003	292	100%

Analysis of results and challenges: Due to increased application volume and staff shortage, the target of processing 100% of new Temporary Water Use Applications was not reached. These applications are the unit's highest priority and are processed within 4 weeks of receipt.

Temporary Water Use Permits are used frequently in conjunction with short term construction projects such as oil and gas ice roads and DOT/PF road construction projects.

A1: Strategy - Process water rights and temporary water use authorizations within expected timelines

Target #1: Process new water right applications within 6 months.

Status #1: The time it takes to process new water rights has increased to 15 months.

Median Cycle Time

Year	Months
2008	15
2007	6
2006	2
2005	6
2004	6

Analysis of results and challenges: Water rights are becoming more complex and contentious in many developed areas. Staff is having to spend more time dealing with the conflicts over water use which takes away time from processing water rights. Staff turnover and training new staff takes away from actual adjudication and slows the processing times.

Target #2: Process temporary water use applications within 3 weeks.

Status #2: The division did not meet its target of processing temporary water use authorizations within 3 weeks of receiving authorizations.

Median Cycle Times

Year	Weeks
2008	4
2007	4
2006	3
2005	4
2004	3

Analysis of results and challenges: In FY 2008 there were increased applications over the previous year, and the staff was able to process most all of these applications, but with the increased workload, the processing cycle times remained slower. This allowed for the use of water by industry for project development and construction associated with oil and gas exploration, road construction, mining, and other temporary water uses.

Target #3: Eliminate 10% to 15% of backlog of water right applications.

Status #3: The division was able to reduce the number of backlogged water rights because it processed more applications than it received.

Backlogged Water Rights

Year	# processed	YTD Total
2008	94	18%
2007	35	6%
2006	100	24%
2005	19	5%
2004	80	15%

Analysis of results and challenges: Currently the WMU has over 524 backlogged water right applications pending adjudications. This unit was committed to adjudicating all new applications submitted in FY 2008 and 100 of the backlog applications. Some of the backlog applications were adjudicated because they were associated with new applications (in the same area or taking water from the same source). The other backlog applications will be adjudicated in the order they are received. There is little hope of ever eliminating the backlog of water rights applications at current staff levels.

There may be some slight discrepancies in backlog figures this year as we switched the computer reporting system and we potentially had missed some of the previously reported backlog figures.

B: Result - Provide hydrologic data to the public, industry, and agencies that can be used to determine appropriate use of state water resources.

Target #1: Provide information, analysis, and response to 1,000 hydrologic customer requests.

Status #1: The division responded to over 1,300 hydrologic customer requests.

Year	YTD Total
2008	1,300
2007	1,262
2006	1,200
2005	1,258
2004	2,038

Analysis of results and challenges: This represents customers served by specific hydrologic requests, and industry support requests. Availability of the WELTS system frees staff time to address other issues, and therefore the tally of computer WELTS site visits does represent customers served. Many of these on-line data requests would have been individual data requests without access to the web portal. The WELTS system continues to experience increased usage, with the number of hits during FY08 more than 11% higher than in FY06.

B1: Strategy - Post hydrologic data on public well site and provide analysis of hydrologic issues.

Target #1: Post 100% of new well data received on the WELTS data base web site.

Status #1: 100% of new well data received was added to the WELTS database during FY08.

Percentage of Well Data Posted

Year	YTD Total
2008	100%
2007	78%
2006	100%
2005	80%
2004	100%
2003	100%

Analysis of results and challenges: Of 480 well logs received during FY08, all were added to the WELTS database, comprising 100% compliance with goals. This target was met due to allocation of staff to complete the project as outlined.

Target #2: Respond to 100% of requests for analysis of hydrologic issues.

Status #2: An estimated 90 % of requests for hydrologic issues were addressed.

Percentage of Responses

Year	YTD Total
2008	90%
2007	75%
2006	100%
2005	100%
2004	100%
2003	100%

Analysis of results and challenges: Continued inability to recruit for a vacant AHS Hydrologist position with expertise in ground water has resulted in an inability to address some of the more technical issues associated with groundwater modeling. Existing staff have addressed what issues that could be done with existing expertise. However some issues were left unaddressed or left to private consultant.

Target #3: Provide hydrologic support to 100% of major industrial projects where requested.

Status #3: All known (100%) of major industrial projects where hydrologic support was requested were addressed.

Percentage of Requests Supported

Year	YTD Total
2008	100%
2007	100%
2006	100%
2005	100%
2004	100%
2003	100%

Analysis of results and challenges: Continued monitoring and or review of data of existing mining sites such as Usibelli Coal and Red Dog, as well as review of hydrologic data associated with water rights issues for North Slope oil industry operations have continued. New emphasis has been placed on the potential development at the proposed Pebble Mine in South West Alaska. Hydrologic support for that project has included both review of data, as well as analysis of instream flow applications for water rights that were likely initiated by the potential large scale mine development.

C: Result - All dams under DNR jurisdiction are operated safely without failure.

Target #1: No jurisdictional dams fail.

Status #1: With active oversight and inspections, the division was able to insure no jurisdictional dams failed.

Number of failures

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2004	0
2003	0

Analysis of results and challenges: Zero dam failures indicate that the objectives of the Alaska Dam Safety Program were met for the year. However, only certain dams in Alaska fall under the jurisdiction of ADNR regulations. Those dams are defined in AS 46.17.900(3). Although generally rare, the consequences of a dam failure can be dramatic. Dams generally fail through lack of proper design, construction, maintenance or operation, although natural disasters can contribute to the failure of the best designed and constructed dams. All jurisdictional dams must be regularly inspected and evaluated to determine if remediation to prevent a dam failure is required. However, many of the dams under state jurisdiction were constructed before the dam safety regulations were effective. Achieving full compliance for all of the jurisdictional dams requires cooperation from dam owners who may be constrained by budgets, schedules, incentive and other factors.

The division dam engineer worked on many dam projects throughout the state. Some of the large mining projects require a considerable amount of review because of the need for water impoundment.

C1: Strategy - Obtain compliance with regulations that were established to assure the safety of dams under state jurisdiction.

Target #1: A current periodic safety inspection on 60% of jurisdictional dams.

Status #1: The division almost reached its target by having 58% of the jurisdictional dams with current periodic safety inspections.

Percentage of inspections

Year	YTD Total
2008	58%
2007	53%
2006	54%
2005	55%
2004	49%
2003	51%

Analysis of results and challenges: In FY08, 6 dams were subjected to a periodic safety inspection, which results in 58% of the 78 dams under state jurisdiction with a current periodic safety inspection. The regulations require the dam owner to hire a qualified engineer to conduct this inspection and submit a report to the state. In addition, the regulations require the State Dam Safety Engineer to review and approve the inspection reports for these dams. Because the inspection may occur in one fiscal year, and the report may not be submitted, reviewed and approved until the following fiscal year, the measure is based on the date of the visual inspection of the dam.

All jurisdictional dams are subject to a periodic safety inspection, but not every dam is inspected each year. The inspection interval is dependent on the hazard potential classification of the dam. Class I (high) and Class II (significant) hazard potential dams are typically inspected every three years. Class III (low) hazard potential dams are to be inspected every five years. Hazard potential classification is based on an estimate of the probable consequences of the dam failure, regardless of the condition of the dam. In contrast, risk takes into account the condition of the dam and the probability of its failure, in addition to the hazard potential classification.

In any given year, a certain number of dams will be due for a new inspection while a certain number of dams will be overdue for an inspection, mostly those that are habitually out of compliance. The percent of dams in compliance is a measure of the cooperation of dam owners with the Alaska Dam Safety Program. The Dam Safety and Construction Unit promote cooperation with the Alaska Dam Safety Program, while balancing enforcement of the dam safety regulations based on the apparent risk that a specific dam represents. Compliance in any given year is contingent on a number of factors including the dam owner's incentive, budget and schedule, as well as weather, project understanding and staff workload.

Because of our reliance on voluntary compliance, our goal is at least 60% compliance, though we try to achieve more.

Component: Director's Office/Mining, Land, & Water**Contribution to Department's Mission**

Encourage the settlement of state land and the development of state resources by making them available for maximum use consistent with the public interest. (Constitution; Article VIII, Sec 1).

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$438,600****Personnel:**

Full time	5
Part time	0
Total	5

Component: Forest Management and Development

Contribution to Department's Mission

To provide a sustainable supply of forest resources to Alaskans.

Core Services

- Forest management under principles of sustained yield and multiple use on all state land
- Timber inventory
- Timber sale planning and administration
- Fuelwood sales and permits
- Forest access design, construction, and maintenance
- Reforestation of harvested areas
- Wildlife habitat enhancement
- Multiple use management on the Haines and Tanana Valley State Forests
- Forest Resources & Practices Act (FRPA) implementation on all non-federal lands
- Detailed Plans of Operation compliance review
- Field inspections and compliance monitoring
- Training for agency staff and private operators on best management practices
- Enforcement actions for non-compliant activities
- Technical forestry assistance
- Community forestry assistance to municipalities, businesses, & civic organizations
- Forest planning assistance and cost-share grants to Native corps & private landowners
- Insect and disease surveys, forest pest monitoring, & forest health advice on all forest land ownerships
- Natural resources education to schools, universities, & youth groups
- Timber sale design & forest economics assistance to Tongass NF & Mental Health Trust

End Result	Strategies to Achieve End Result
<p>A: Stable or increasing economic, environmental, and social benefits from use of trees and forests.</p> <p><u>Target #1:</u> Economic benefits: State timber sold to 40 or more Alaskan businesses..</p> <p><u>Status #1:</u> Timber sold to 41 Alaskan businesses in FY08.</p> <p><u>Target #2:</u> Environmental benefits: No waterbodies are listed by DEC as impaired waters as a result of forest operations under the Forest Resources & Practices Act (FRPA).</p> <p><u>Status #2:</u> None listed FY04 through FY08.</p> <p><u>Target #3:</u> Social benefits: Technical forestry assistance is available to landowners, local governments, and organizations statewide.</p> <p><u>Status #3:</u> The proportion of forested census areas (CAs) in Alaska receiving some technical forestry assistance has declined since FY06. Data are not available prior to FY06.</p>	<p>A1: Provide state timber to meet local demand within the limit of sustainable supply.</p> <p><u>Target #1:</u> In Southern Southeast Alaska (SSE), provide wood processors with the maximum volume of state timber available on a sustained yield basis (measured as the percentage of the annual allowable cut sold over a 5-year period.)</p> <p><u>Status #1:</u> Over the last five years the Division of Forestry sold 92% of the annual allowable cut in SSE, a dramatic increase from 45% in FY96-00.</p> <p><u>Target #2:</u> Outside SSE Alaska, ensure that state timber sale offerings exceed demand.</p> <p><u>Status #2:</u> The Division of Forestry offered about twice as much volume as was purchased in FY08.</p> <p>A2: Ensure that private and non-federal public forest landowners comply with the FRPA best management practices.</p>

	<p>Target #1: 100% compliance with FRPA best management practices (BMPs). Compliance is measured as the percentage of BMPs rated 4 or higher out of a perfect score of 5 in field inspections of forest operations.</p> <p>Status #1: This is the second year that compliance monitoring has been in effect in all three forest practices regions. Statewide, compliance increased slightly from 88% in FY07 to 90% in FY08.</p> <p>A3: Design technical assistance programs to reach broad audiences with minimal staffing. Examples include the following initiatives.</p> <p>Target #1: Expand the number of communities and utilities with self-sustaining forestry programs.</p> <p>Status #1: In FY08, seven Alaskan communities met the qualifications for Tree City USA, and three utilities (Chugach Electric, Matanuska Electric, and Golden Valley Electric) met the Tree Line USA qualifications.</p> <p>Target #2: Develop instructional materials for homeowners on reducing risks from wildland fire around their property.</p> <p>Status #2: This is a new project to extend the reach of defensible space programs. On the Kenai Peninsula alone, 12,000 housing units are in areas with high risk of damage from wildland fire. Existing programs to assess and treat the risks around individual homes have treated approximately 300 homes so far. This project will develop a video with local examples to train homeowners to do their own assessments and conduct treatments independently. Target date for completion is 2010, and depends on new grant funding.</p>
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Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Develop Requests for Proposals (RFPs) for sale layout by private contractors. Score proposals, award contracts, and inspect completed layout. • Prepare timber sales -- including layout, Forest Land Use Plans, Five-Year Schedules of Timber Sales, and ads -- in Southern Southeast Alaska. • Conduct timber sale auctions, negotiated timber sales, RFPs, and contracts in Southern Southeast. • Use available funding to remove barriers to value-added timber sales, including development and maintenance of roads and bridges. • Assess opportunities to provide wood to new businesses within the limits of available supply while accounting for the demand from existing businesses. • Conduct thinning in dense forest stands on productive forest land to maximize volume available from state land in southeast Alaska. • Provide technical assistance to the Tongass National Forest to improve the economic feasibility | <ul style="list-style-type: none"> • Identify potential funding sources and seek funding for effectiveness monitoring. • Participate in industry/interagency conduct and technical review of effectiveness monitoring projects. • Distribute Detailed Plans of Operation (DPOs) and coordinate timely interagency review. • Respond to operators and landowners on DPOs. • Work with communities to establish municipal forestry programs. • Foster Tree City USA and Tree Line USA Communities. • Train Tree Stewards for volunteer work on municipal trees. • Provide technical assistance to local governments, private industry, and agencies. • Develop forest stewardship plans for individual private forest owners. • Pass through federal grants to develop forest |
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Major Activities to Advance Strategies

- of federal timber sales.
- Prepare timber sales, layout, and ads for sales in Northern Southeast, Southcentral, and Interior Alaska.
- Conduct timber sale auctions, negotiated timber sales, and contracts in Northern Southeast, Southcentral, and Interior Alaska.
- Conduct state timber sale inspections and contract administration statewide.
- Disseminate information on state timber in the Interior.
- Provide additional timber sales to meet increased demand in Interior Alaska.
- Conduct field inspections of forestry operations on state, private, municipal, and Trust land.
- Prepare compliance score sheets on forestry operations.
- Conduct periodic audits of forestry operations.
- Complete audit of closed operations and roads in southeast Alaska.
- Review regeneration reports and field verification of private land regeneration surveys.
- Review reforestation exemption requests.
- Conduct regeneration surveys on state land.
- Adopt regulations to implement changes to the Forest Resources & Practices Act.
- Coordinate interagency prioritization of Forest Resources & Practices Act (FRPA) effectiveness monitoring information needs.
- stewardship plans for ANCSA corporations.
- Provide federal cost-share funding for forest land management activities on private land.
- Provide technical assistance to forest landowners for detection and treatment of forest pests.
- Conduct annual aerial survey of forest insect and disease conditions.
- Publish GIS and printed maps and reports on insect and disease conditions.
- Conduct special research and assessment projects on specific insect and disease problems.
- Identify introductions of exotic pests that could affect Alaskan forests and wood products.
- Train teachers in Fire in Alaska, Project Learning Tree, and Tapping into Spring curriculum.
- Conduct classes on forestry for schools, scout troops, civic groups, etc.
- Form education partnerships with other agencies.
- Encourage service learning opportunities through state and national Project Learning Tree.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$6,137,200

Personnel:

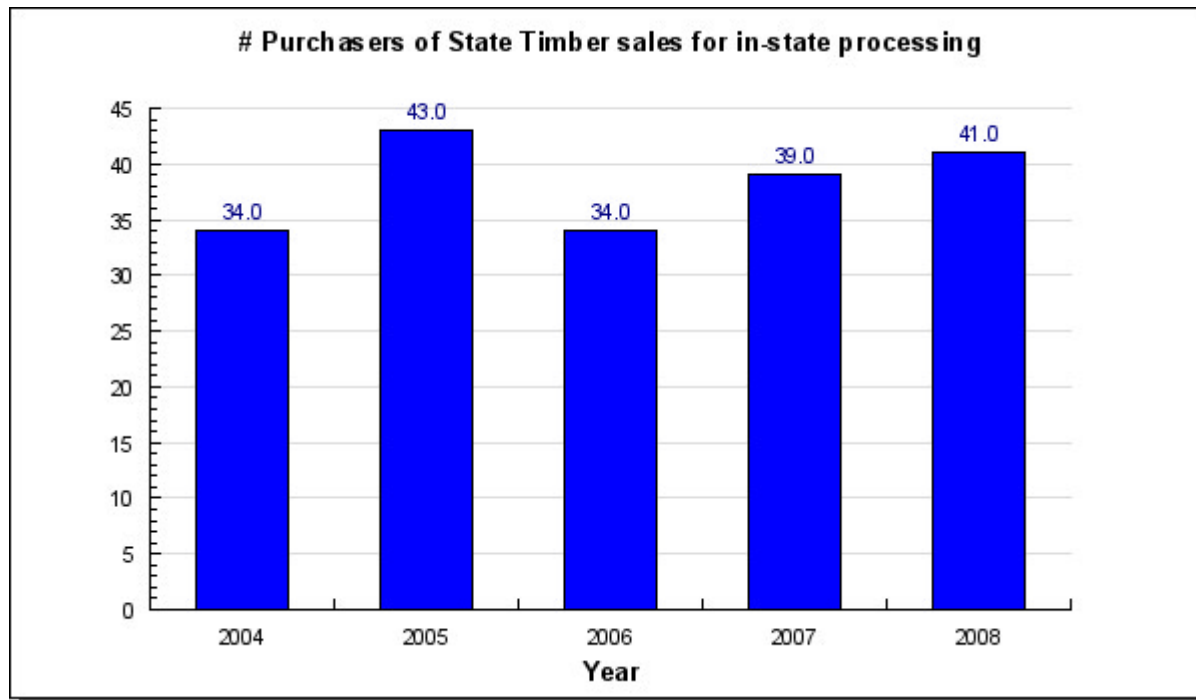
Full time	46
Part time	5
Total	51

Performance

A: Result - Stable or increasing economic, environmental, and social benefits from use of trees and forests.

Target #1: Economic benefits: State timber sold to 40 or more Alaskan businesses..

Status #1: Timber sold to 41 Alaskan businesses in FY08.



Analysis of results and challenges: The number of purchasers of state timber sales has stayed relatively stable over the last five years, but the mix of purchasers has shifted.

- o Since FY05 sales to mills in SE has been a Division priority to help offset sharp declines in federal timber sales. State timber is critical to survival of the SE timber industry.

- o The wood energy sector is expanding dramatically throughout southcentral and interior Alaska in response to high prices for fossil fuels. The number of businesses purchasing state timber for commercial firewood doubled from 11 in FY04 to 22 in FY08.

- o Opportunities for salvage of beetle-killed timber on the Kenai Peninsula peaked earlier in this decade. Large salvage sales were purchased by FY07, and remaining timber is losing value to decay.

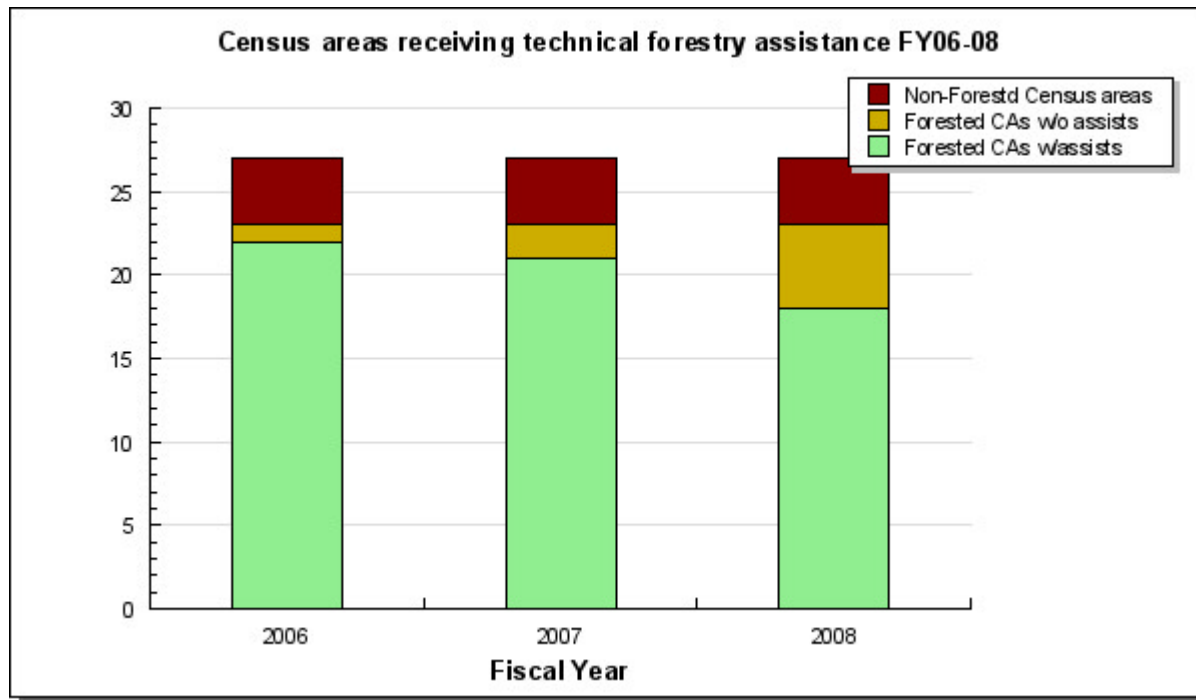
Target #2: Environmental benefits: No waterbodies are listed by DEC as impaired waters as a result of forest operations under the Forest Resources & Practices Act (FRPA).

Status #2: None listed FY04 through FY08.

Analysis of results and challenges: FRPA continues to ensure that forest operations protect water quality and fish habitat. The list of impaired waterbodies identifies waters that do not meet state water quality standards, including standards for beneficial use for fish habitat; no waterbodies are listed as impaired due to operations subject to FRPA standards. Recent science and technical committee reviews and private sector effectiveness monitoring studies reinforce this assessment.

Target #3: Social benefits: Technical forestry assistance is available to landowners, local governments, and organizations statewide.

Status #3: The proportion of forested census areas (CAs) in Alaska receiving some technical forestry assistance has declined since FY06. Data are not available prior to FY06.



Analysis of results and challenges: Demand for technical forestry assistance is increasing steadily while state capacity is stable to declining. Contributing factors include growth in the proportion of Alaskans living in cities, residential development in forested areas of the Fairbanks, Mat-Su, and Kenai boroughs, climate change and invasive species impacts on forests statewide, burgeoning risks of damage from wildland fire, demand for alternatives to expensive fossil fuels, and the US Forest Service's increasing reliance on state technical assistance for timber sale design. In FY08, the Division of Forestry assisted 182 agencies, communities, businesses, educational institutions, and non-profit organizations. Meanwhile, federal funds for these programs are declining, due to the skyrocketing cost of fire suppression on federal lands, and national priorities that increasingly favor densely populated eastern states and diverge from Alaska's priorities.

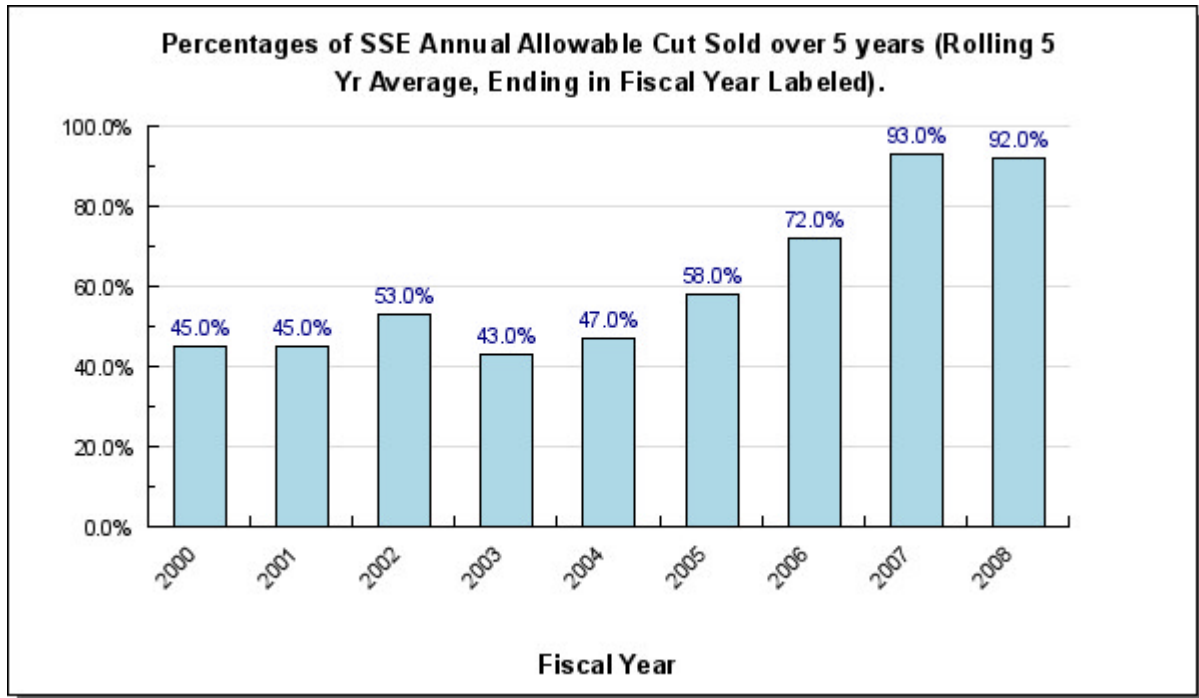
The State stepped up to meet the need for technical assistance to the US Forest Service to re-establish a sufficient and credible timber sale program in SE Alaska. With the Governor's support, an FY08 increment and FY09 CIP provided funding for DOF and ADF&G staff to help the USFS design economically-feasible timber sales to support the southeast timber industry. DOF and the Mental Health Trust also share a position to layout and administer timber sales on Trust land in SE.

However, other technical assistance programs have been funded almost completely through US Forest Service funds passed through to the Division of Forestry. Declining federal funds and changes in national priorities jeopardize the existence of forestry assistance for Alaskans, as reflected in the decrease in the number of areas served since FY06. These programs are important to diverse entities – in FY08, these programs provided service to 182 different communities, utilities, businesses, agencies, fire departments, educational institutions, and non-profit organizations. Services improve forest health, increase public and private benefits from private forest lands, reduce costs of meeting air and water quality standards, and provide affordable recreation opportunities close to people's homes. Demand for services exceeds capacity, and we have waiting lists for Stewardship and Firewise planning. State funds are needed to complete a Statewide Assessment of program needs and priorities by 2010 to continue to qualify for federal funds for cooperative forestry and fire programs (\$2.8 million in federal FY08), and to provide in-state control over program priorities.

A1: Strategy - Provide state timber to meet local demand within the limit of sustainable supply.

Target #1: In Southern Southeast Alaska (SSE), provide wood processors with the maximum volume of state timber available on a sustained yield basis (measured as the percentage of the annual allowable cut sold over a 5-year period.)

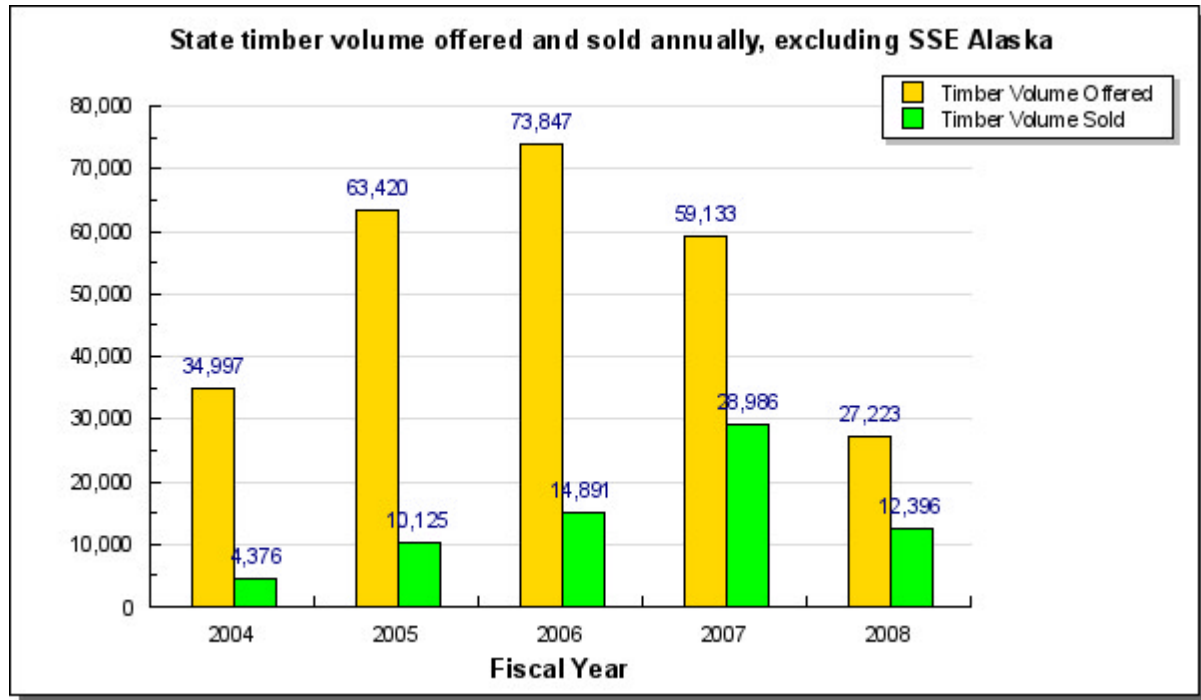
Status #1: Over the last five years the Division of Forestry sold 92% of the annual allowable cut in SSE, a dramatic increase from 45% in FY96-00.



Analysis of results and challenges: In SSE, demand for state timber exceeds supply. The majority of timber in SSE is on federal land, but federal timber sales have declined drastically. Local mills now depend heavily on state timber for survival. Because the state timber base is too small to sustain the mills long-term, the Division is also working with the US Forest Service to revive the federal sale program. The Division of Forestry has increased the sale of state timber in SSE to over 90% of the annual allowable cut. These results were made possible by capital project funds for timber sales and inventory.

Target #2: Outside SSE Alaska, ensure that state timber sale offerings exceed demand.

Status #2: The Division of Forestry offered about twice as much volume as was purchased in FY08.



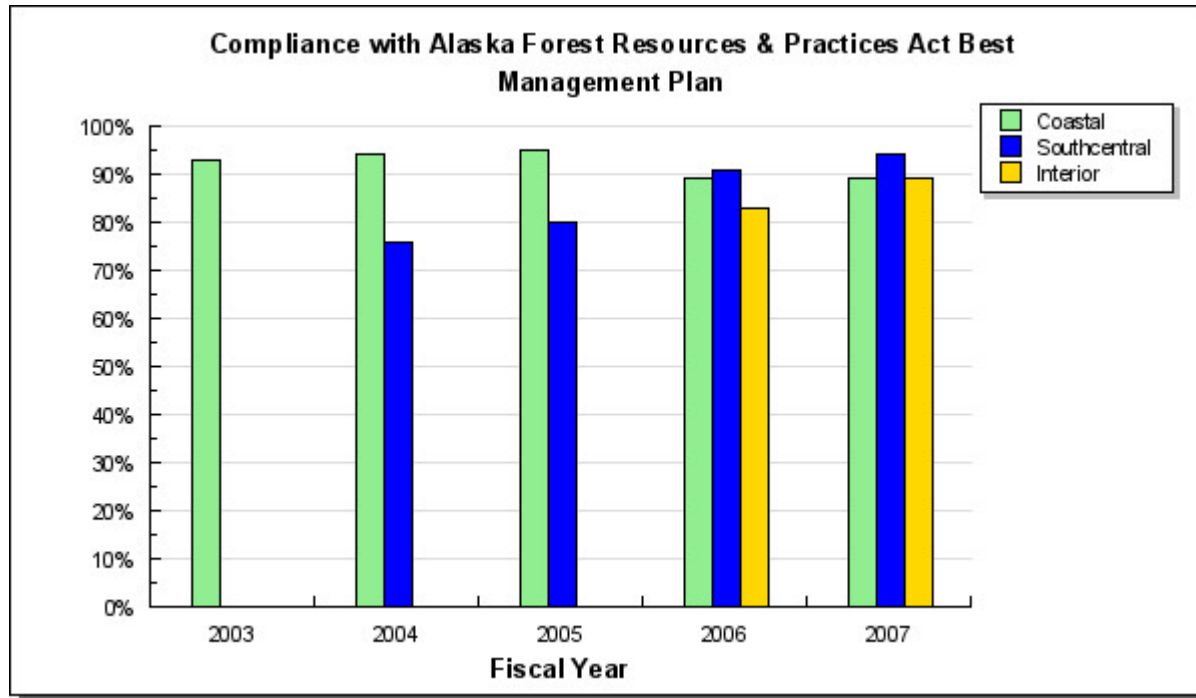
Analysis of results and challenges: The gap between state timber sale offerings and the volume purchased has narrowed in the last three years. Key factors include:

- o Increased demand for fuelwood. Hardwood sales that have been available for several years are now being purchased. Fossil fuel prices are driving up demand across the state. Several sales available over-the-counter at the end of FY08 have already been purchased for firewood in FY09. If energy costs remain high, additional funding will be needed to meet fuelwood demand in FY10.
- o Remaining large salvage sales for beetle-killed timber on the Kenai Peninsula were purchased in FY07 for development of a wood pellet mill for biomass energy. Some salvage timber sales remain available in the Copper River Basin.

A2: Strategy - Ensure that private and non-federal public forest landowners comply with the FRPA best management practices.

Target #1: 100% compliance with FRPA best management practices (BMPs). Compliance is measured as the percentage of BMPs rated 4 or higher out of a perfect score of 5 in field inspections of forest operations.

Status #1: This is the second year that compliance monitoring has been in effect in all three forest practices regions. Statewide, compliance increased slightly from 88% in FY07 to 90% in FY08.



Analysis of results and challenges: BMPs are designed to prevent adverse impacts from forest operations on fish habitat and water quality, and to ensure prompt reforestation following harvest. Compliance with the BMPs is high in all three regions. The Division of Forestry uses compliance monitoring results to identify training needs. Training emphasizes specific BMPs with relatively low ratings and targets operators with a history of compliance issues. BMPs for maintenance of active and inactive roads are a current training focus. The increased demand for firewood is likely to result in additional training needs for new operators harvesting who are unfamiliar with FRPA.

A3: Strategy - Design technical assistance programs to reach broad audiences with minimal staffing. Examples include the following initiatives.

Target #1: Expand the number of communities and utilities with self-sustaining forestry programs.

Status #1: In FY08, seven Alaskan communities met the qualifications for Tree City USA, and three utilities (Chugach Electric, Matanuska Electric, and Golden Valley Electric) met the Tree Line USA qualifications.

Analysis of results and challenges: In 12 years, through technical assistance from a 2-person staff in the Division of Forestry, communities and utilities covering the majority of the state population have developed community forestry programs meeting national standards for urban and community forestry programs. These efforts help communities meet air quality standards, reduce stormwater runoff, increase property values, and decrease tree planting and maintenance costs. A number of communities have the potential to achieve similar results, but are unlikely to do so without state assistance with staff training on tree selection and care, planting standards, tree inventory. Federal funds for these efforts are declining, which reduces our capacity to provide assistance and restricts efforts to help rural communities that do not meet federal priorities designed for the Lower 48.

Target #2: Develop instructional materials for homeowners on reducing risks from wildland fire around their property.

Status #2: This is a new project to extend the reach of defensible space programs. On the Kenai Peninsula alone, 12,000 housing units are in areas with high risk of damage from wildland fire. Existing programs to assess and treat the risks around individual homes have treated approximately 300 homes so far. This project will develop a video with local examples to train homeowners to do their own assessments and conduct treatments independently. Target date for completion is 2010, and depends on new grant funding.

Analysis of results and challenges: Analysis: Residential development continues to expand into wildland-urban interface areas with a high risk of damage from wildland fire. At the same time, fire risks are increasing due to climate change and the extent of dead timber following bark beetle infestations. Traditional methods of working directly with homeowners to create “defensible space” are effective, but can only reach a fraction of the homeowners at risk. Video materials can be distributed more widely and inexpensively, to reach more of the population at risk.

Component: Non-Emergency Hazard Mitigation Projects**Contribution to Department's Mission**

Reduce the risk of loss of life and property due to wildland fires

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$460,500

Personnel:

Full time	0
Part time	5
Total	5

Component: Geological Development

Contribution to Department's Mission

Conduct geological and geophysical surveys to determine the potential of Alaskan land for production of metals, minerals, fuels, and geothermal resources, the potential geologic hazards to buildings, roads, bridges, and other installations and structures; and conduct such other surveys and investigations as will advance knowledge of the geology of the state. (AS 41.08)

Core Services

- Functions as the state's lead source and repository of Alaska geologic information and the primary source of information concerning Alaska's energy resources, mineral resources, and geologic hazards
- Continually gathers new field data, interprets, and publishes geologic information in emerging areas of critical interest related to energy supply, minerals deposits, and geologic hazards
- Provides the geologic information needed for economic diversification, revenue generation, hazards mitigation, infrastructure development, and resource management in the state of Alaska
- Plays a strategic role in the generation and maintenance of Alaska's economy through resource development, and in the public safety of its citizens with respect to mitigating natural geologic hazards
- Stimulates the discovery of minerals, coal, oil, gas, geothermal energy, construction-quality sand and gravel, and water by providing geologic-framework data on which to base industry resource-exploration
- Provides geologic data and assessments used by DNR management divisions, state departments, and municipalities. Geologic information provided to users outside DNR has been used to catalyze private sector exploration investment, plan natural-hazard mitigation and disaster preparedness in cities and villages, select transportation-corridor lands for Alaska, and to better design roads and other infrastructure
- Maintains the Alaska Geologic Materials Center (GMC), Alaska's archive of representative geologic materials from across the state. The collection, representing many millions of dollars in acquisition cost, includes oil- and gas-related samples, mineral-related and coal samples collected by DGGs and donated by industry and numerous Federal agencies. The samples provide the reference collection of materials used by the petroleum and mineral industry to guide new exploration ventures.
- Works collaboratively with the other Divisions in DNR and with Alaska-based federal agencies to make all public sector geologic resource data accessible via the Internet.
- Administers the Alaska Seismic Hazards Safety Commission and publishes its recommendations for improving state and local policies to reduce human casualties and economic losses from earthquakes and tsunamis.

End Result	Strategies to Achieve End Result
<p>A: Hard-copy and digital geologic reports and maps for use in exploring for and managing energy and mineral resources and for mitigating geologic hazards</p> <p>Target #1: FY09 Target: 1,000 hard-copy geologic publications distributed in response to requests from industry, government, academia and the public Status #1: 2,277 publications distributed in FY08, far exceeding the target of 700.</p>	<p>A1: Produce timely and reliable new energy-related geologic information in areas of poor geologic understanding and high energy resource potential</p> <p>Target #1: FY09 Target: Six published reports on energy-related geology that assist the energy industry and state management agencies in developing conventional energy resources on state-interest lands Status #1: Eight reports generated in FY08, exceeding the target of six</p> <p>Target #2: FY09 Target: Zero reports on unconventional energy resource potential of state-interest lands (no currently funded program) Status #2: Zero reports published in FY08. Federally</p>

	<p>funded project completed in FY07.</p> <p><u>Target #3:</u> FY09 Target: Ten presentations on energy-resource geology to industry, public, and government sectors. <u>Status #3:</u> Nineteen presentations made in FY08, significantly exceeding target of ten</p> <p><u>Target #4:</u> FY09 Target: Zero new square miles of published, energy-related geologic mapping <u>Status #4:</u> Zero square miles published in FY08 toward target of 1,050. Several draft maps were completed that will be published in FY09.</p> <p>A2: Produce timely and reliable new minerals-related geological and geophysical information in areas of limited information and high minerals resource potential</p> <p><u>Target #1:</u> FY09 Target: 600 square miles of published, minerals-related bedrock geologic mapping <u>Status #1:</u> Zero square miles published in FY08 toward target of 300. Draft maps were completed that will be published in FY09</p> <p><u>Target #2:</u> FY09 Target: 400 square miles of published airborne geophysical maps of minerals-interest lands <u>Status #2:</u> 965 square miles published in FY08, exceeding target of 750.</p> <p><u>Target #3:</u> FY09 Target: 1,022 square miles of published surficial geologic maps that provide information on placer-mineral potential and/or construction-materials resources <u>Status #3:</u> Zero square miles published in FY08 toward the target of 1,300. These maps are in review and will be published in FY09.</p> <p><u>Target #4:</u> FY09 Target: Four new legacy or private-sector datasets of minerals-related geologic information made available online <u>Status #4:</u> Four datasets published in FY08, exceeding the target of three.</p> <p><u>Target #5:</u> FY09 Target: Two published reports providing statistical information on Alaska's mineral industry <u>Status #5:</u> Two reports published in FY08, meeting the target</p> <p><u>Target #6:</u> FY09 Target: Five presentations to industry, public, and government sectors on mineral-resource potential and the status of Alaska's mineral industry <u>Status #6:</u> 22 presentations in FY08, far exceeding the target of four.</p>
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End Result	Strategies to Achieve End Result
<p>B: Timely online delivery of geological and geophysical information to support resource development, attract new industry and provide pre-disaster hazard mitigation for continued economic growth</p> <p>Target #1: FY08 Target: 3 million visits (user sessions) to retrieve information and data from the Division of Geological and Geophysical Surveys (DGGS) and Alaska Volcano Observatory (AVO) Web sites Status #1: 3.8 million visits to the DGGS and AVO websites in FY08, exceeding the 3 million visit target</p>	<p>B1: Produce reliable new information on geologic hazards in areas at risk of economic losses and casualties from disasters</p> <p>Target #1: FY09 Target: Two peer-reviewed reports or maps providing improved assessment of geologic hazards that pose significant risks to public safety Status #1: Four volcano hazard reports published in FY08, exceeding target of two. Two additional reports on hazards in the proposed gas pipeline corridor along the Alaska Highway are in review and will be published in FY09.</p>
End Result	Strategies to Achieve End Result
<p>C: Timely responses to all public & agency requests for information and assistance on energy resources, mineral resources, geologic hazards, and engineering geology</p> <p>Target #1: FY08 Target: 100 percent timely responses to requests for geologic information needed by exploration companies, resource planners, emergency managers, scientific organizations, land managers, and developers Status #1: 100% timely responses to 997 requests for geologic information in FY2008, achieving the target of 100%</p>	<p>C1: Provide improved public outreach and education regarding the geology of Alaska</p> <p>Target #1: FY09 Target: Ten public presentations on the geology of Alaska, including information displays at conferences, speaking at or teaching classes, and technical talks at public meetings Status #1: 58 public presentations given in FY08, significantly exceeding the target of 10.</p>
End Result	Strategies to Achieve End Result
<p>D: Improved public access to nonproprietary rock samples and to the corresponding processed samples in support of private-sector resource exploration and geological education</p> <p>Target #1: FY08 Target: 100 percent satisfied users of the Geologic Materials Center, based on written evaluations Status #1: 100 percent satisfied users in FY08, based on 13 written evaluations. There were 497 visits to the GMC during the fiscal year.</p>	<p>D1: Provide increased availability of processed samples at the Geologic Materials Center (GMC)</p> <p>Target #1: FY09 Target: 3,000 new processed geological samples (microfossil/petrographic slides) received at the Geologic Materials Center Status #1: 2,074 new processed samples received in FY08 toward the target of 3,000</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> Conduct field-geologic and laboratory studies needed to develop geologic maps and reports on the geology of Alaska Develop energy basin geologic reports including reservoir and source rock characterization, paleontological, and structural cross sections Publish minerals-related geologic reports, occurrence maps, geochemical data, geochronologic 	<ul style="list-style-type: none"> Deliver presentations at public and industry forums to disseminate new information on mineral and economic related geology Publish maps and reports on placer-mineral and construction-materials resources Publish maps and reports on the hazards associated with volcanoes, tsunamis, landslides, and other hazards

Major Activities to Advance Strategies

- reports, structural cross sections, and databases
- Deliver presentations at public and industry forums to disseminate new information and improve understanding of energy related geology
- Respond to public and agency requests for information on energy resources, mineral resources, and geologic hazards
- Conduct and publish airborne geophysical surveys
- Publish annual Mineral Industry Summary Reports
- Develop and maintain an enterprise database of geospatially referenced geological and geophysical information
- Deliver presentations to improve public understanding of geologic hazards
- Design and maintain a website to provide online access to Alaska geologic data and publications
- Maintain and organize an archive of publicly accessible geologic samples from industry, government, and academia.
- Respond to legislative and administration requests for information and assistance on geological issues

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$7,624,800

Personnel:

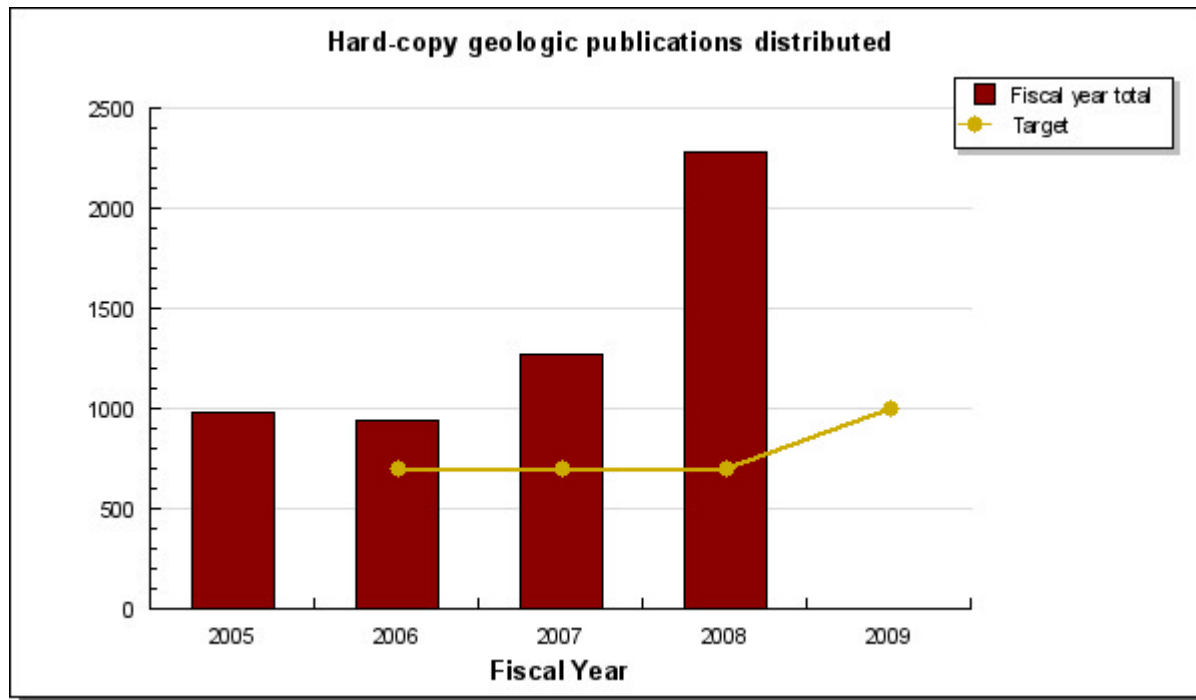
Full time	40
Part time	0
Total	40

Performance

A: Result - Hard-copy and digital geologic reports and maps for use in exploring for and managing energy and mineral resources and for mitigating geologic hazards

Target #1: FY09 Target: 1,000 hard-copy geologic publications distributed in response to requests from industry, government, academia and the public

Status #1: 2,277 publications distributed in FY08, far exceeding the target of 700.



Methodology: Number of hard-copy reports or digital (CD or DVD) geologic products distributed during the fiscal year

Hard-copy geologic publications distributed

Fiscal Year	Fiscal year total	Target
FY 2009	0	1000
FY 2008	2277	700
FY 2007	1269	700
FY 2006	938	700
FY 2005	979	

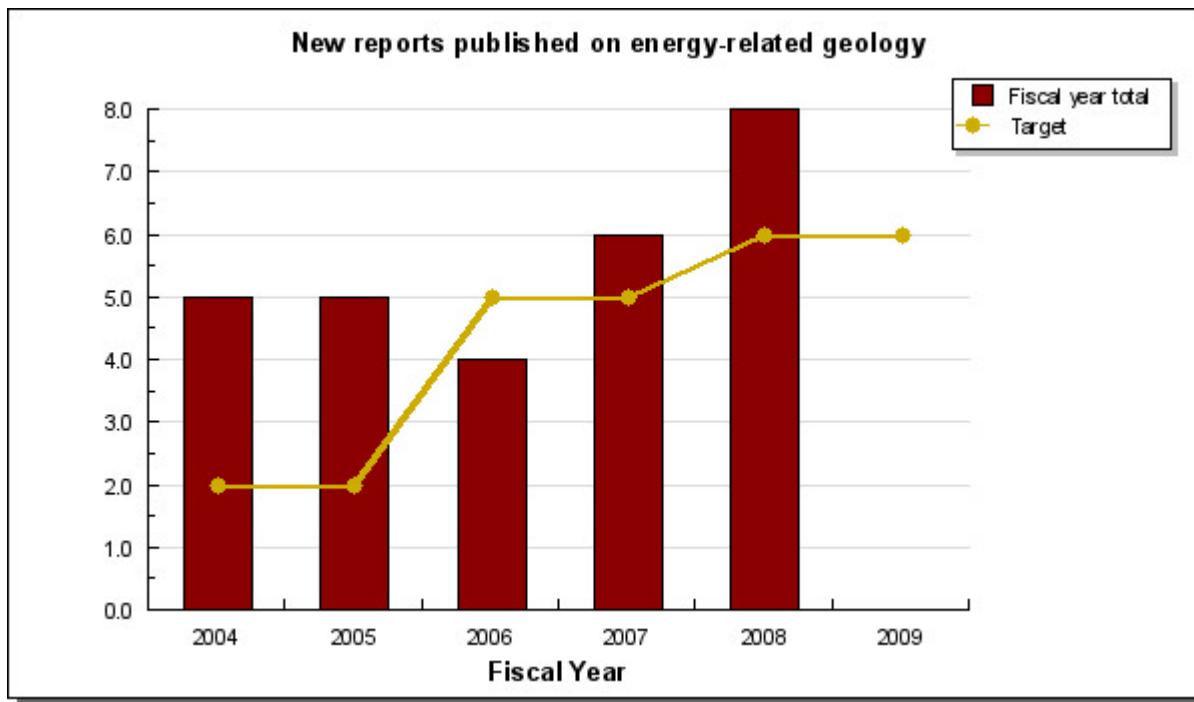
Analysis of results and challenges: Products of the Division of Geological & Geophysical Survey's (DGGS) field-geologic and geophysical studies are technical reports, geologic & geophysical maps, and digital datasets. Each year, the division collects field data for several areas, totaling several hundred square miles in area, analyzes those data, and publishes the products. Detailed published geologic and geophysical maps at scales needed for resource exploration, land-use management, and geologic-hazards assessment are scattered geographically and currently available for less than 10 percent of the state, but DGGS's field programs are gradually increasing that figure. DGGS prioritizes the selection of new mapping areas in consultation with other state agencies, appropriate state boards and commissions, industry resource-interest groups, and other stakeholders. Information about types of data collected, amount of area covered, and types of products DGGS generates is available in the Performance Measures details.

Although DGGs has made all of its geologic and geophysical reports and maps available online since FY 2000, some users still prefer to receive these products in hard-copy formats. Rather than printing reports and maps in large numbers for distribution as was the practice in years past, hard copies are now printed on demand, with only a few copies kept on the shelves to fill orders or over-the-counter sales. Distribution of hard-copy publications decreased dramatically after online distribution was initiated in 2000, but appears to have leveled off and is rising again. As in our online digital data distribution, the increase appears to largely reflect renewed interest in energy and mineral resources, volcano hazards, as well as a major conference and field trips for which DGGs published popular geologic field guides.

A1: Strategy - Produce timely and reliable new energy-related geologic information in areas of poor geologic understanding and high energy resource potential

Target #1: FY09 Target: Six published reports on energy-related geology that assist the energy industry and state management agencies in developing conventional energy resources on state-interest lands

Status #1: Eight reports generated in FY08, exceeding the target of six



Methodology: Number of new reports published on energy-related geology during the fiscal year

New reports published on energy-related geology

Fiscal Year	Fiscal year total	Target
FY 2009	0	6
FY 2008	8	6
FY 2007	6	5
FY 2006	4	5
FY 2005	5	2
FY 2004	5	2

Analysis of results and challenges: Public dissemination of detailed geologic knowledge is critically important for responsible resource development and management. This information must result from the most modern analyses and incorporate all available data in order to identify frontier areas of energy exploration on state lands. A critical component of this effort is in the form of published reports on a wide range of geologic disciplines.

Target #2: FY09 Target: Zero reports on unconventional energy resource potential of state-interest lands (no currently funded program)

Status #2: Zero reports published in FY08. Federally funded project completed in FY07.

Reports published on unconventional energy resources

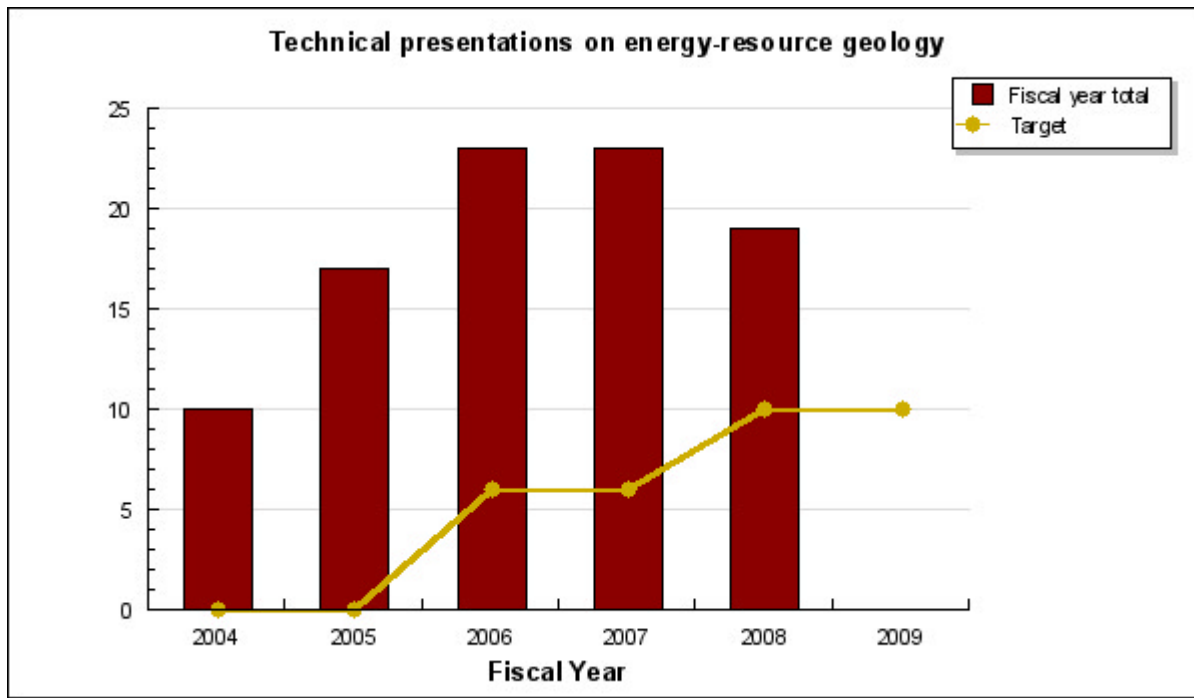
Fiscal Year	Fiscal year total	Target
FY 2009	0	0
FY 2008	0	0
FY 2007	1	1
FY 2006	0	1
FY 2005	1	2
FY 2004	2	2

Methodology: Number of reports on unconventional energy resources published during the fiscal year

Analysis of results and challenges: An emerging frontier of resource development is unconventional energy. Examples of this potential include low permeability reservoirs, gas hydrates, coal, coal bed methane, and geothermal. This target is not only important for developing commercial energy sources, but also for the energy challenges faced in rural Alaska. The Division of Geological & Geophysical Surveys has had a federally funded project to assess the potential for unconventional gas resources in selected areas of the state, however the funding has ended and the project has been completed. Publication of the final report is indicated as the result for FY2007.

Target #3: FY09 Target: Ten presentations on energy-resource geology to industry, public, and government sectors.

Status #3: Nineteen presentations made in FY08, significantly exceeding target of ten



Methodology: Number of technical presentations made to industry, public, and government sectors during the fiscal year on energy-resource geology

Technical presentations on energy-resource geology

Fiscal Year	Fiscal year total	Target
FY 2009	0	10
FY 2008	19	10
FY 2007	23	6
FY 2006	23	6
FY 2005	17	0
FY 2004	10	0

Analysis of results and challenges: An important venue for releasing timely information for resource development and regulations is through public presentation at both local and national technical conferences. This avenue is often the most cost-effective and timely method of disseminating new findings to the broadest audience of end-users. Significant effort is placed on this method of knowledge transfer and will be followed up by publication of data and interpretations. Because new presentation opportunities arise during each fiscal year, DGGs generally far exceeds its target for this important outreach method. Some of our energy-resource presentation materials are accessible through the link below.

Target #4: FY09 Target: Zero new square miles of published, energy-related geologic mapping

Status #4: Zero square miles published in FY08 toward target of 1,050. Several draft maps were completed that will be published in FY09.

Square miles of published new energy-related geologic mapping

Fiscal Year	Fiscal year total	Target
FY 2009	0	0
FY 2008	0	1050
FY 2007	525	525
FY 2006	0	240
FY 2005	0	200

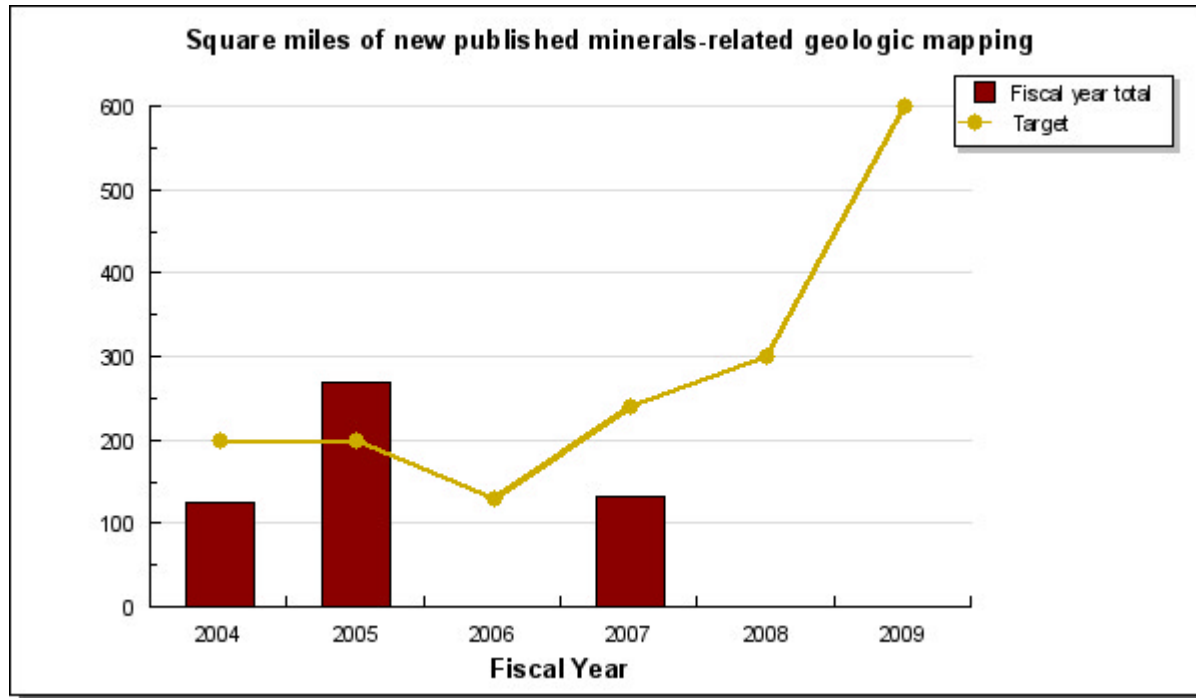
Methodology: Number of square miles of new, peer-reviewed, energy-related bedrock geologic mapping published during the fiscal year

Analysis of results and challenges: The publication of mapped geologic data in areas of high energy resource potential is critical for attracting new industry players and providing detailed information for government, academia and exploration companies. The Division did not meet its published target in FY08. 525 square miles of new geologic mapping was completed in 2005 and published in FY07. Significant personnel changes in the energy section, as well as the backlog created for publication staff were the major challenges faced during this period. Re-structuring of the energy program and a focused effort on the publication backlog were accomplished in FY07 and FY08. Several maps have been revised and re-drafted and we expect to catch up on the publication backlog in FY09.

A2: Strategy - Produce timely and reliable new minerals-related geological and geophysical information in areas of limited information and high minerals resource potential

Target #1: FY09 Target: 600 square miles of published, minerals-related bedrock geologic mapping

Status #1: Zero square miles published in FY08 toward target of 300. Draft maps were completed that will be published in FY09



Methodology: Number of square miles of new, peer-reviewed, minerals-related bedrock geologic maps published during the fiscal year

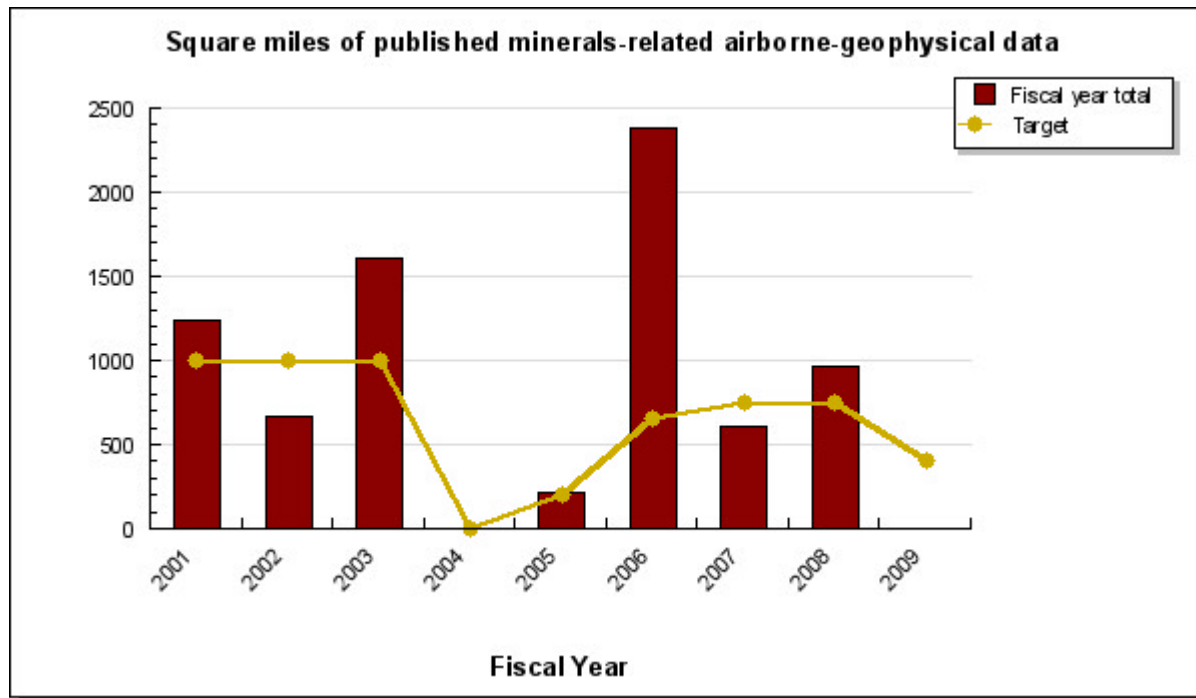
Square miles of new published minerals-related geologic mapping

Fiscal Year	Fiscal year total	Target
FY 2009	0	600
FY 2008	0	300
FY 2007	131	240
FY 2006	0	130
FY 2005	268	200
FY 2004	124	200

Analysis of results and challenges: The publication of geologic maps and analytical data in areas of high mineral-resource potential is critical for attracting new industry investment and providing detailed information for government, academia and exploration companies. The Division of Geological & Geophysical Surveys (DGGS) minerals section geologists have developed a methodology for increasing bedrock geological mapping by use of pre-flown airborne geophysical data to help identify poorly exposed bedrock units. DGGS has usually exceeded its mapping targets, which vary year to year based on available funding and logistics costs in the area mapped. The time required to publish a map is usually about 18 months after field work is completed. The FY08 target was not reached because insufficient personnel were available to complete the planned FY08 map. DGGS recently filled a minerals geologist position, and this should allow DGGS to complete the FY08 map in FY09.

Target #2: FY09 Target: 400 square miles of published airborne geophysical maps of minerals-interest lands

Status #2: 965 square miles published in FY08, exceeding target of 750.



Methodology: Number of square miles of completed new airborne geophysical maps of minerals-interest lands published during the fiscal year

Square miles of published minerals-related airborne-geophysical data

Fiscal Year	Fiscal year total	Target
FY 2009	0	400
FY 2008	965	750
FY 2007	613	750
FY 2006	2382	650
FY 2005	210	200
FY 2004	0	0
FY 2003	1612	1000
FY 2002	671	1000
FY 2001	1240	1000

Analysis of results and challenges: Much of Alaska's minerals potential lands have poorly exposed geology due to tundra and tree cover. Advancement in geophysical data acquisition has shown that much of this poorly exposed bedrock can be identified using aerial geophysical surveys and, in combination with ground-based geologic mapping, can provide reliable information for mineral resource assessment. Less than 20% of potential mineral bearing lands have been surveyed, and the Division of Geological & Geophysical Surveys (DGGS) is committed to prioritizing and finishing the acquisition of these important data. Funding for this work has historically been sporadic and partially dictates the amount of yearly coverage possible. Available equipment and personnel constraints also play major roles in our ability to gather data. The total geophysical survey area flown and released in FY08 for mineral-interest lands exceeded the FY08 target of 750 square miles because it included 250 additional square miles of survey flown over minerals-interest lands in the western Fortymile area under Bureau of Land Management support.

Target #3: FY09 Target: 1,022 square miles of published surficial geologic maps that provide information on placer-mineral potential and/or construction-materials resources

Status #3: Zero square miles published in FY08 toward the target of 1,300. These maps are in review and will be published in FY09.

Square miles of new published placer-mineral and construction materials geologic maps

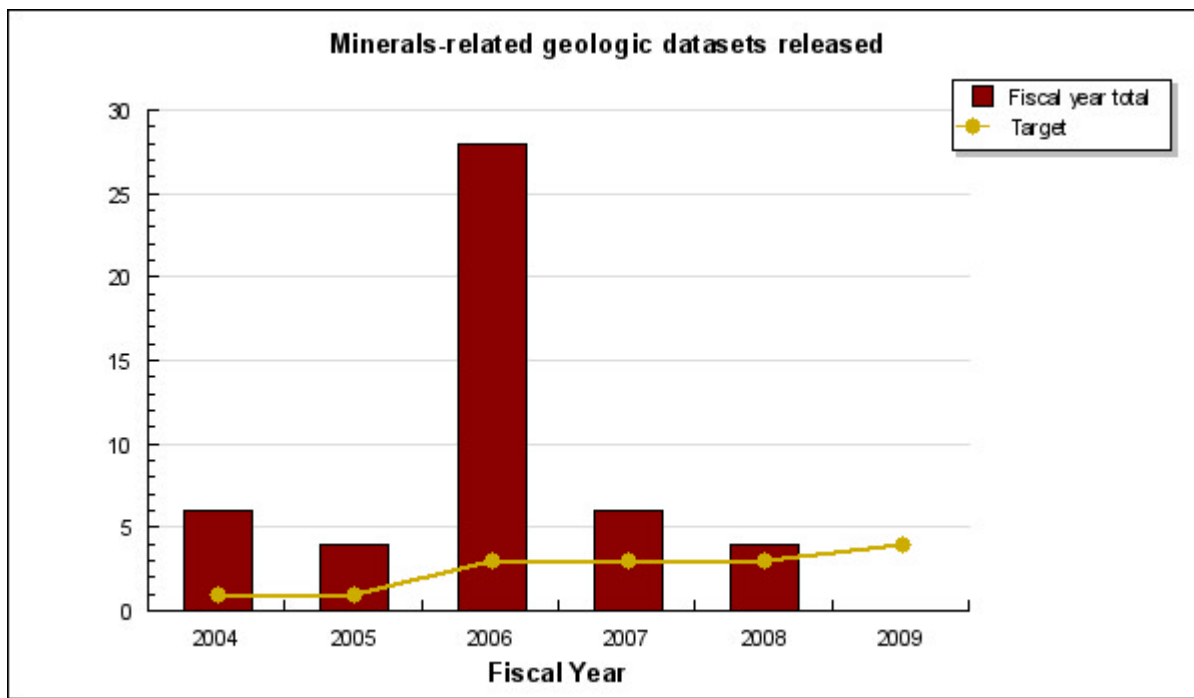
Fiscal Year	Fiscal year total	Target
FY 2009	0	1022
FY 2008	0	1300
FY 2007	0	240
FY 2006	268	130

Methodology: Number of square miles of new, peer-reviewed surficial geologic maps published during the fiscal year that provide information on placer-mineral potential or construction-materials resources

Analysis of results and challenges: The publication of geologic maps in areas of high placer-minerals and construction-materials resource potential is critical for providing detailed information for government, academia and exploration companies. This information is also pertinent for state land disposals and land-use management. Although there has been significant reduction in placer-mineral mining because of environmental concerns and low mineral values, new techniques, environmental remediation standards, and higher commodity prices have renewed interest in the resource. Surficial geologic mapping performed in 2006 was in review and not ready for publication by the end of FY08. These maps will be published in FY2009 along with 1,022 square miles of new mapping completed in 2007 and 2008. The major increase in mapping reflected in the FY2008 target is a result of new Capital Improvement Project (CIP) funding to conduct geologic mapping and hazards evaluations along the proposed natural gas pipeline corridor between Delta Junction and the Canadian border.

Target #4: FY09 Target: Four new legacy or private-sector datasets of minerals-related geologic information made available online

Status #4: Four datasets published in FY08, exceeding the target of three.



Methodology: Number of new legacy or private-sector datasets released during the fiscal year that provide minerals-related geologic information

Minerals-related geologic datasets released

Fiscal Year	Fiscal year total	Target
FY 2009	0	4
FY 2008	4	3
FY 2007	6	3
FY 2006	28	3
FY 2005	4	1
FY 2004	6	1

Analysis of results and challenges: The advent of the digital information age has placed significant demand on information availability and feasibility of warehousing hardcopy documents. As a result, a significant body of data in the public and private sectors is at risk of loss due to budget constraints and physical space requirements. The Division of Geological & Geophysical Surveys (DGGS) has been employing considerable effort to recover and transfer these documents to digital format and provide them electronically in order to capture the wealth of information available, and distribute it to a broader user base. In FY08, DGGS added 3 minerals-related datasets from current projects, and 1 dataset from legacy minerals-related datasets to its WebGeochem database.

Target #5: FY09 Target: Two published reports providing statistical information on Alaska's mineral industry

Status #5: Two reports published in FY08, meeting the target

Reports on Alaska mineral-industry statistics

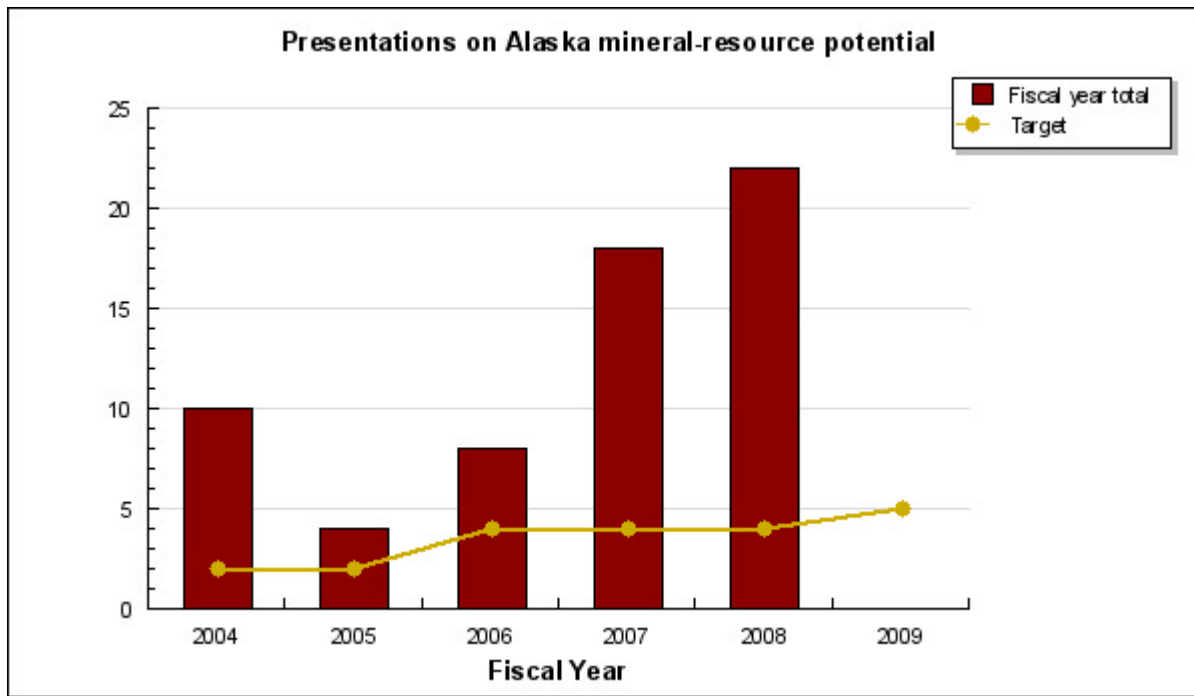
Fiscal Year	Fiscal year total	Target
FY 2009	0	2
FY 2008	2	2
FY 2007	2	2
FY 2006	2	2
FY 2005	2	2
FY 2004	2	2

Methodology: Number of reports published during the fiscal year providing statistical information on Alaskan mineral industry

Analysis of results and challenges: An important source of minerals information can be obtained through the statistical study of industry trends and information. The Division of Geological & Geophysical Surveys, in collaboration with the Division of Mining, Land & Water and Department of Commerce, Community, and Economic Development, compiles, publishes, and distributes this information for both governmental and industry use. These documents are widely used and considered a critical source of information for planning.

Target #6: FY09 Target: Five presentations to industry, public, and government sectors on mineral-resource potential and the status of Alaska's mineral industry

Status #6: 22 presentations in FY08, far exceeding the target of four.



Methodology: Number of technical presentations made to industry, public, and government sectors during the fiscal year on mineral-resource potential and the status of the Alaskan mineral industry

Presentations on Alaska mineral-resource potential

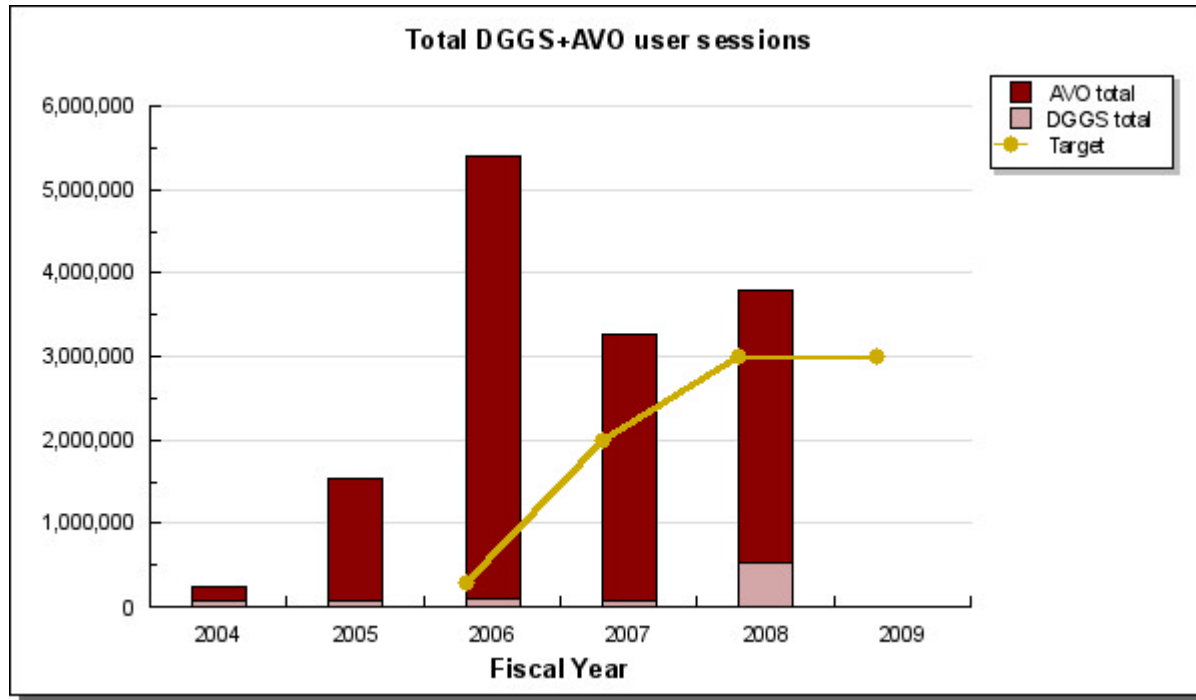
Fiscal Year	Fiscal year total	Target
FY 2009	0	5
FY 2008	22	4
FY 2007	18	4
FY 2006	8	4
FY 2005	4	2
FY 2004	10	2

Analysis of results and challenges: An important venue for releasing timely information to encourage mineral-resource development and management is through public presentations at local, national, and international technical conferences. This avenue is a cost-effective and timely method of disseminating new findings to the broadest audience of end-users. The Division of Geological & Geophysical Surveys places significant effort on this method of knowledge transfer and follows up these presentations by publishing the data and interpretations.

B: Result - Timely online delivery of geological and geophysical information to support resource development, attract new industry and provide pre-disaster hazard mitigation for continued economic growth

Target #1: FY08 Target: 3 million visits (user sessions) to retrieve information and data from the Division of Geological and Geophysical Surveys (DGGS) and Alaska Volcano Observatory (AVO) Web sites

Status #1: 3.8 million visits to the DGGS and AVO websites in FY08, exceeding the 3 million visit target



Methodology: Number of visits (user sessions) to view or download information from the DGGS and AVO websites.

Total DGGS+AVO user sessions

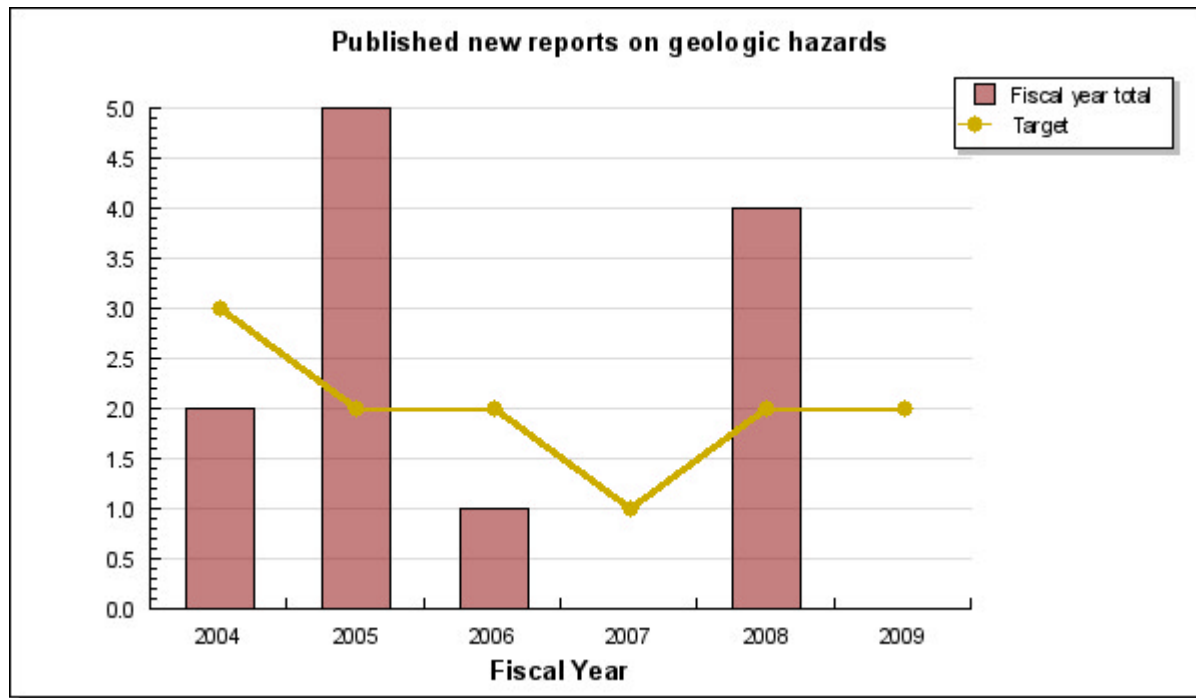
Fiscal Year	DGGS total	AVO total	YTD Total	Target
FY 2009	0	0	0	3,000,000
FY 2008	523005	3276589	3799594	3,000,000
FY 2007	74002	3200000	3274002	2,000,000
FY 2006	96497	5298140	5394637	280,000
FY 2005	80000	1445372	1525372	
FY 2004	70000	178,806	248,806	

Analysis of results and challenges: The Division of Geological and Geophysical Surveys (DGGS) has focused a significant effort on developing and maintaining websites for delivery of data and information. In addition to running its own agency website, DGGS develops and maintains the website for the Alaska Volcano Observatory (AVO), which is a cooperative program involving DGGS, the US Geological Survey, and University of Alaska Fairbanks. The division has seen a dramatic increase in geologic data inquiries via the internet since posting the data on its websites a number of years ago. Our FY06 total website visits (DGGS+AVO) far exceeded the target as a result of the eruption of Augustine Volcano and the subsequent public inquiries to the AVO web site (see table). It was the first volcanic eruption in history that the public could monitor in real time via the Internet. Total visits were down from that level in FY 2007 but have increased to 3.8 million visits in FY2008.

B1: Strategy - Produce reliable new information on geologic hazards in areas at risk of economic losses and casualties from disasters

Target #1: FY09 Target: Two peer-reviewed reports or maps providing improved assessment of geologic hazards that pose significant risks to public safety

Status #1: Four volcano hazard reports published in FY08, exceeding target of two. Two additional reports on hazards in the proposed gas pipeline corridor along the Alaska Highway are in review and will be published in FY09.



Methodology: Number of peer-reviewed reports or maps published during the fiscal year providing improved assessment of geologic hazards that pose significant risks to public safety

Published new reports on geologic hazards

Fiscal Year	Fiscal year total	Target
FY 2009	0	2
FY 2008	4	2
FY 2007	0	1
FY 2006	1	2
FY 2005	5	2
FY 2004	2	3

Analysis of results and challenges: Public safety and preventing economic disasters caused by natural phenomena are distinctly tied to our understanding the risks associated with the complex geology in Alaska. Mitigation of these risks can only come about through detailed mapping and understanding of the natural hazards and processes, and timely distribution of that information to the public and government planners. Increasing population and development in Alaska create significant demands for acquiring geologic data and distributing it in a timely fashion. Four reports on volcanic hazards were published in FY08. Field work was performed in FY07 and FY08 for a major geologic-hazards study of part of the proposed natural gas pipeline corridor between Delta Junction and the Canadian border. Two hazard reports on this work are in review and will be published in FY09.

C: Result - Timely responses to all public & agency requests for information and assistance on energy resources, mineral resources, geologic hazards, and engineering geology

Target #1: FY08 Target: 100 percent timely responses to requests for geologic information needed by exploration companies, resource planners, emergency managers, scientific organizations, land managers, and developers

Status #1: 100% timely responses to 997 requests for geologic information in FY2008, achieving the target of 100%

Percent timely responses to requests for geologic information

Fiscal Year	FY total responses	Result	Target
FY 2009			100%
FY 2008	997	100%	100%
FY 2007	1,330	100%	100%
FY 2006	2,215	100%	100%
FY 2005	702	100%	100%

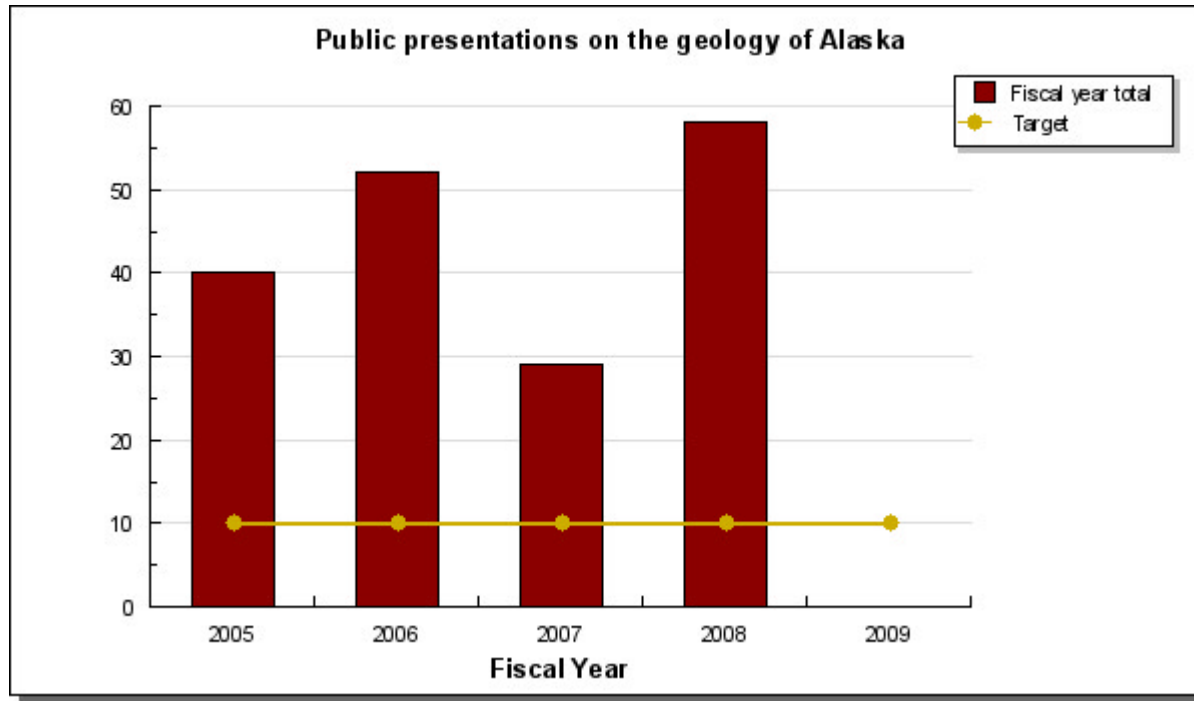
Methodology: Percent of timely, acceptable responses to requests for geologic information during the fiscal year, relative to the total number of requests

Analysis of results and challenges: Current, timely geologic information is critical for public safety, resource exploration, emergency management, scientific organizations, land managers, and developers. Regardless of the amount of information gathered, the distribution of that knowledge is key in providing the desired outcome. The significant increase in FY2006 was primarily the result of requests for information on the eruption of Augustine Volcano in early 2006, but also includes increased requests for information on minerals and energy resources as a result of increased exploration for those commodities. The total annual number of requests for information has decreased somewhat since 2006, but many of the requests require more extensive research and written response than in the past, particularly those from other DNR divisions. The division is committed to continuously providing a 100% timely response to all requests for information.

C1: Strategy - Provide improved public outreach and education regarding the geology of Alaska

Target #1: FY09 Target: Ten public presentations on the geology of Alaska, including information displays at conferences, speaking at or teaching classes, and technical talks at public meetings

Status #1: 58 public presentations given in FY08, significantly exceeding the target of 10.



Methodology: Number of events during the fiscal year that involve delivering presentations about the geology of Alaska, speaking at or teaching classes, or preparing and manning public displays

Public presentations on the geology of Alaska

Fiscal Year	Fiscal year total	Target
FY 2009	0	10
FY 2008	58	10
FY 2007	29	10
FY 2006	52	10
FY 2005	40	10

Analysis of results and challenges: Public awareness and knowledge of the division's activity and database is paramount to success of the organization's mission. Although the web site is an important tool to that end, the power of physical presence at public forums cannot be underestimated. The Division of Geological & Geophysical Surveys employs significant effort in presenting geologic knowledge in a wide range of public venues including schools, trade shows and community meetings. The number of presentations made, significantly in excess of the target, reflects the commitment to that outreach.

D: Result - Improved public access to nonproprietary rock samples and to the corresponding processed samples in support of private-sector resource exploration and geological education

Target #1: FY08 Target: 100 percent satisfied users of the Geologic Materials Center, based on written evaluations

Status #1: 100 percent satisfied users in FY08, based on 13 written evaluations. There were 497 visits to the GMC during the fiscal year.

Percent satisfied users of the Geologic Materials Center

Fiscal Year	Client visits	Evaluations	% Satisfied	Target
FY 2009				100%
FY 2008	497	13	100%	100%
FY 2007	407	11	100%	100%
FY 2006	470	6	100%	100%
FY 2005	492	12	100%	100%

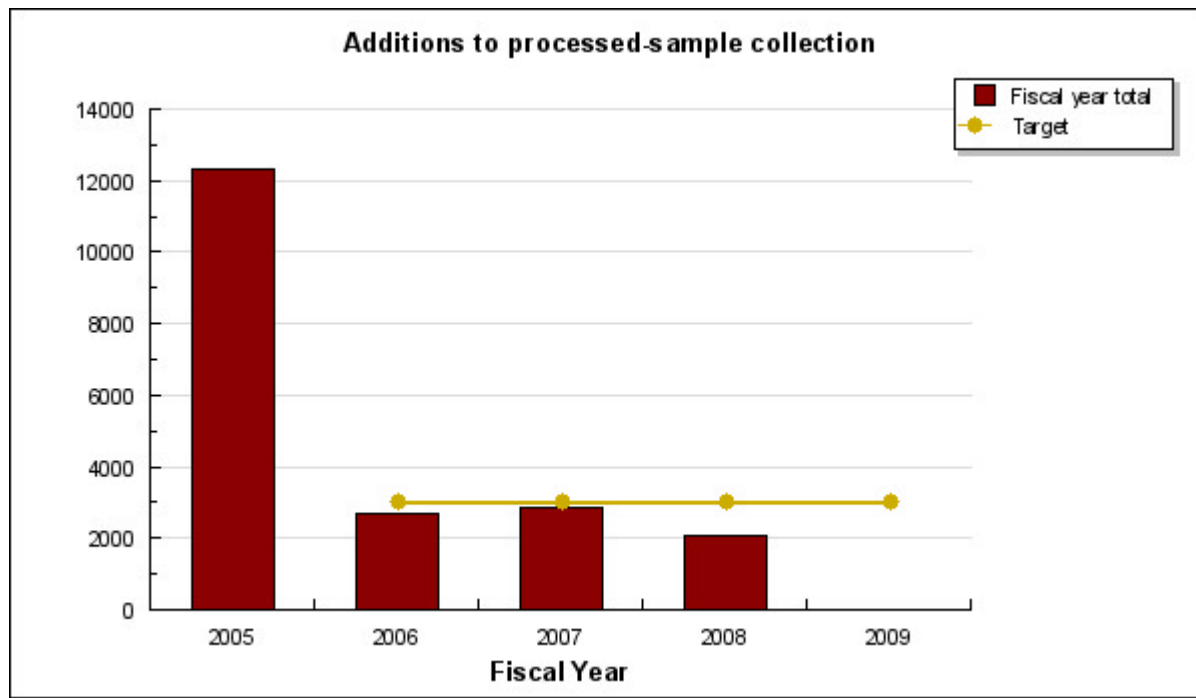
Methodology: Percentage of satisfied users of the Geologic Materials Center sample archives based on written evaluations

Analysis of results and challenges: A significant amount of effort and capital has been spent over the past 60 years to obtain rock and mineral samples throughout Alaska. Some of these samples are irreplaceable, or currently very difficult and expensive to acquire. The state's Geologic Materials Center (GMC), operated by the Division of Geological & Geophysical Surveys (DGGS), archives geologic samples and provides a wide range of users (industry, government, academia, and public) access for identifying new resource prospects and increasing our geologic knowledge of the state. This is all done under a very limited budget in a sorely inadequate and outdated facility. It is very important that this access is user-friendly and allows for new technological analyses to be performed in a timely manner. Although satisfaction is currently 100%, a noted challenge has been to document user feedback through written evaluations. There were 497 visitations to the facility in FY08, up from 407 in FY07. The Division will initiate methods of acquiring more user evaluations and making improvements where warranted.

D1: Strategy - Provide increased availability of processed samples at the Geologic Materials Center (GMC)

Target #1: FY09 Target: 3,000 new processed geological samples (microfossil/petrographic slides) received at the Geologic Materials Center

Status #1: 2,074 new processed samples received in FY08 toward the target of 3,000



Methodology: Number of new items added to GMC processed-sample collection (microfossil/petrographic slides, data reports)

Additions to processed-sample collection

Fiscal Year	Fiscal year total	Target
FY 2009	0	3000
FY 2008	2074	3000
FY 2007	2882	3000
FY 2006	2666	3000
FY 2005	12314	

Analysis of results and challenges: Constant access to new geologic samples is very important to increasing our knowledge of Alaska's complex geology. Specialized subsamples of the Geologic Materials Center (GMC) collection provide information to geologists that can mean significant economic impact to the state. These samples are largely provided by users of the facility who subsample the collection and prepare specialized processed samples, such as thin sections. The FY08 total of 2,072 processed samples added to the collection was down from FY07 and missed the target of 3,000. The decrease appears to be partly a result of a shift in emphasis by private-sector exploration companies in the types of analyses performed on the rock samples. However, because of increased exploration interest, we expect the number of analyses to be closer to the target in future years.

Component: Recorder's Office/Uniform Commercial Code

Contribution to Department's Mission

Provide and maintain a secure, accessible and impartial place to record and preserve the permanent public record of Alaska.

Core Services

- Examine, record, file, and process original documents
- Maintain and update grantor/grantee and location indices for retrieval of documents
- Archive records and update libraries
- Customer assistance, searches and copies of recorded and filed Uniform Commercial Code documents

End Result	Strategies to Achieve End Result
<p>A: Enhance the operation of commerce (personal and commercial) within Alaska.</p> <p><u>Target #1:</u> Recording offices open 100% during normal business hours. <u>Status #1:</u> Met 94% during 1st quarter FY09</p> <p><u>Target #2:</u> 75% of all UCC filings submitted electronically <u>Status #2:</u> Target met 55% during 1st quarter FY09</p>	<p>A1: Timely recording and handling of all documents.</p> <p><u>Target #1:</u> All documents presented and accepted are entered into the index within 24 hours, and verified within 7 calendar days, 100% of the time <u>Status #1:</u> Met 94% through the 1st quarter of FY09</p> <p><u>Target #2:</u> Create and maintain accessible archival records <u>Status #2:</u> 49.6% of historic records converted and available through the 1st quarter FY09</p> <p>A2: Ensure secure environment for protection of the public record</p> <p><u>Target #1:</u> Redundant systems in place with off site back up storage to ensure access to public record within 48 hours in the event of an emergency <u>Status #1:</u> Annual testing during 1st quarter FY09 confirmed backed up data loaded and available within 48 hours</p>

Major Activities to Advance Strategies
<ul style="list-style-type: none"> • Enhance system through completion of book, film, and aperture card conversion projects, integrating images into the Intranet data base. • Examine, record/file, receipt, and process original documents • Maintain and update grantor/grantee and location indices for retrieval of documents • Provide searches and copies of recorded and filed UCC documents • Return original recorded documents to customers • Customer assistance in use of library facilities • Archival and administrative processes • Provide web access to electronic records

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$4,470,400

Personnel:

Full time	48
Part time	6
Total	54

Performance

A: Result - Enhance the operation of commerce (personal and commercial) within Alaska.

Target #1: Recording offices open 100% during normal business hours.**Status #1:** Met 94% during 1st quarter FY09

% Recording offices open & database available 100%

Fiscal Year	YTD Total
FY 2009	94%
FY 2008	92%
FY 2007	94%
FY 2006	94%
FY 2005	93%

Analysis of results and challenges: In FY08 recording offices were open during regular business hours 92% of the time. The reason we did not meet 100% was due to single staff office closures (sick leave or personal leave).

There are 34 recording districts and UCC Central file, handled at 12 offices across the state with 7 offices having a staff of 1 person. Recording services are transferred from a single staff office to a multi-staff office during scheduled and unscheduled closures. (Fairbanks covers Bethel; Juneau covers Sitka and Ketchikan; Anchorage covers Homer, Kodiak, Seward, and Valdez.) All offices provide Intranet access to our on-line database with images, via public access computers. A research only facility was established at the DMV office in Nome which provides increased research capability to the public. (The recorder's database index without images is also available via the Internet.)

Recruiting difficulties may result in vacancies staying open longer than we desire - when this happens in single staffed offices the back-up office will perform the work for that office until a new employee can be hired and trained.

FY 2009 information reflects through the first quarter.

Target #2: 75% of all UCC filings submitted electronically**Status #2:** Target met 55% during 1st quarter FY09

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Target	Variance
FY 2009	5143	0	0	0	5143	75%	20%
FY 2008	5788	5599	5545	6221	23153	75%	23%
FY 2007	5840	4128	6497	6773	23238	75%	26%
FY 2006	5801	6174	5728	6740	24443	75%	50%

Methodology: Documents filed quarterly with target of 75% filed electronically. Variance shows how much off from target.

Analysis of results and challenges: On line electronic filings provide a benefit to customers by ensuring Debtor

and Secured Party information is entered accurately as the customer initiates the input process. The on line filing process also requires a valid UCC associated file number is used (for other than an initial filing) which eliminates the need for Wild Cards (numbers that do not match up to an existing filing). This is something not verified with a direct filing. On line electronic filings also create efficiencies for staff as the customer has pre-input the document information into the index. The use of on line filings has increased due to customer education of the process and personal visits by the UCC Supervisor and Manager to area lenders.

Programmers will be working on ways to improve the on line filing process including adding bar code information electronically, and retuning copies electronically which will expedite the internal handling process. Our target is to have 75% of all UCC filings submitted on line.

FY 2009 reflects statistics through first quarter.

A1: Strategy - Timely recording and handling of all documents.

Target #1: All documents presented and accepted are entered into the index within 24 hours, and verified within 7 calendar days, 100% of the time

Status #1: Met 94% through the 1st quarter of FY09

% Documents input within 24 hours, verified within 7 days

Fiscal Year	YTD Total
FY 2009	94%
FY 2008	96%
FY 2007	97%
FY 2006	99%
FY 2005	98%

Analysis of results and challenges: All documents presented and accepted for recording must meet minimum recording criteria. Document content is not reviewed. Recorded documents are input as presented.

The 24-hour target for input of documents into the data base ensures the timely creation of the public record for viewing by the public and "date downs" by title companies. Verification within 7 calendar days ensures accurate reporting of the public record. Staff turnover, numerous vacancies, and some heavy recording volume days at some of the single staff offices reduced our ability to meet this objective 100%.

FY 2009 information reflects 1st quarter results.

Target #2: Create and maintain accessible archival records

Status #2: 49.6% of historic records converted and available through the 1st quarter FY09

% Historic records converted and released to the data base

Fiscal Year	Book	Film	Ap Cards	YTD Total
FY 2009	83%	60%	6%	49.6%
FY 2008	80%	56%	5%	47%
FY 2007	73%	30%	3%	35%
FY 2006	45%	10%	0%	18%

Methodology: Three conversion projects currently underway: Book scanning; Film conversion; Aperture Card conversion.

Analysis of results and challenges: Digital images of recorded documents have been generated daily since July 1, 2001. We are in the process of converting all historic mediums (books, film, aperture cards) to digital for release to our Intranet data base. As of the end of the first quarter FY09 we are 49.6% complete.

A2: Strategy - Ensure secure environment for protection of the public record

Target #1: Redundant systems in place with off site back up storage to ensure access to public record within 48 hours in the event of an emergency

Status #1: Annual testing during 1st quarter FY09 confirmed backed up data loaded and available within 48 hours

Analysis of results and challenges: The State of Alaska uses redundant systems to ensure accurate and timely implementation of back up data bases in the event of an emergency. Testing is done on an annual basis to ensure off site systems can successfully provide access to the Records Office data base within 48 hours.

Component: Agricultural Development

Contribution to Department's Mission

Promote and encourage development of an agriculture industry in Alaska.

Core Services

- agricultural land management and sales.
- marketing services.
- inspection services.

End Result	Strategies to Achieve End Result
A: Agriculture land is made available in a range of parcel sizes by regional and local demand for land sales. <u>Target #1:</u> Sell a minimum of 300 acres of agriculture land annually. <u>Status #1:</u> 344 acres of agriculture land was sold in 2008, 10,261 acres have been sold since 2001.	A1: Land disposals to increase the agriculture land base. <u>Target #1:</u> Sell a minimum of 300 acres of agriculture land annually. <u>Status #1:</u> In 2008, 344 acres of agriculture land were sold.
End Result	Strategies to Achieve End Result
B: Development and expansion of Agriculture Industry in Alaska. Provide marketing and educational information to Alaska growers and consumers. <u>Target #1:</u> Increase consumer awareness of Alaska agricultural products. <u>Status #1:</u> 187 marketing activities were accomplished promoting both consumer and producer awareness in 2008. <u>Target #2:</u> Expand gross farm product sales by 1% <u>Status #2:</u> 2.5% change in public awareness of Alaska Grown farm products in 2008 as compared to 1.0% in 2007.	B1: Marketing assistance to agriculture industry. <u>Target #1:</u> Increase producer and retail awareness in Alaska Grown programs by accomplishing 200 marketing activities. <u>Status #1:</u> In 2008, 187 marketing activities were accomplished promoting both consumer and producer awareness. <u>Target #2:</u> Expand gross farm product sales by 1% <u>Status #2:</u> An increase of 2.5% change in public awareness of Alaska Grown farms products in 2008 as compared to 1.0% in 2007.
End Result	Strategies to Achieve End Result
C: Ensure inspection and grading services are provided for agricultural production and sales. <u>Target #1:</u> Inspect for USDA grade and buyer specifications. <u>Status #1:</u> 458 inspections were requested and accomplished to meet statutory, federal and international contract requirements in 2008. These inspections represent approximately \$43.1 million realized from	C1: Conduct plant industry regulatory inspection and certification activities in the following areas: Fresh fruit & vegetable, international phytosanitary, elk farm, shell egg and brands. <u>Target #1:</u> Conduct ~ 600 inspections requested by industry to meet statutory, federal and international contract requirements. <u>Status #1:</u> In 2008, 458 inspections were requested by

timber, exports and other products.	industry and conducted to meet statutory, federal, and international contract requirements. These inspections present approximately 43.1 million dollars of product annually.
<p><u>Target #2:</u> 69 Alaska Grown program inspections were completed in 2008 compared to 41 in 2007.</p> <p><u>Status #2:</u> Conduct 100% of inspection services requested to meet statutory and state industry purchase contract requirements.</p>	<p><u>Target #2:</u> Field inspections.</p> <p><u>Status #2:</u> In 2008 69 field inspections were completed as compared to 41 in 2007.</p>

Major Activities to Advance Strategies

- Help implement National Farm Bill through participation in the National Association of State Departments of Agriculture (NASDA).
- Help implement National Farm Bill through participation in the Western Association of State Departments of Agriculture (WASDA).
- Farm Bill priorities for Alaska are specialty crop, equip, and Wildlife Habitat Improvement project.
- Set policy and manage the agricultural development program, the Northern Latitude Plant Materials Center, and the Agricultural Revolving Loan Fund.
- Provide administrative support to the Board of Agriculture and Conservation.
- Prepare land sales and work with the Board of Agriculture and Conservation and Soil and Water Districts to accomplish land disposals.
- Adjudicate lease and permit applications.
- Develop new statewide grazing policy and possibly new regulations.
- Provide inspections for elk farming to meet statutory requirements.
- Conduct produce inspections for USDA grade and buyer specifications.
- Cooperate with USDA to provide shell egg surveillance.
- Provide meat grading services as requested.
- Maintain State Plant Health Programs to deliver pest exclusion and monitoring programs to support trade.
- Issue phytosanitary certificates for export products.
- Provide for organic product certification.
- Continue Cooperative Marketing Program
- Provide marketing assistance to farmers through information transfer.
- Manage Alaska Grown program.
- Assist farmer markets with promotional efforts.
- Assist seed growers with market development.
- Encourage use of Alaska Grown products by state and federal agencies.
- Monitor compliance with local purchase practice, statutes and regulations.
- Train staff in organic program management.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,105,900

Personnel:

Full time	14
Part time	0
Total	14

Performance

A: Result - Agriculture land is made available in a range of parcel sizes by regional and local demand for land sales.

Target #1: Sell a minimum of 300 acres of agriculture land annually.

Status #1: 344 acres of agriculture land was sold in 2008, 10,261 acres have been sold since 2001.

Acres of agriculture land sold

Year	YTD Total
2010	**2700
2009	*1480
2008	344
2007	440
2006	361
2005	847
2004	3,114
2003	1853
2002	0
2001	3,302

*Methodology: Reported on an annual basis. The 2008 sale resulted in \$218,000.00. *In June 2009 an anticipated sale of 1480 acres and in **2010 another 2700 acres is being processed and prepared by the Northern Region Office.*

The Southcentral office is currently researching areas of agriculture potential and possible access to those lands. The Division is currently working with the land settlement unit on coordinating joint agriculture and subdivision projects.

A1: Strategy - Land disposals to increase the agriculture land base.

Target #1: Sell a minimum of 300 acres of agriculture land annually.

Status #1: In 2008, 344 acres of agriculture land were sold.

B: Result - Development and expansion of Agriculture Industry in Alaska. Provide marketing and educational information to Alaska growers and consumers.

Target #1: Increase consumer awareness of Alaska agricultural products.

Status #1: 187 marketing activities were accomplished promoting both consumer and producer awareness in 2008.

Target #2: Expand gross farm product sales by 1%

Status #2: 2.5% change in public awareness of Alaska Grown farm products in 2008 as compared to 1.0% in 2007.

% Change and Monetary Value of Agriculture Products Sold in Million Dollars

Year	Percent	YTD Total
2008	2.5%	\$33.2
2007	1.0%	\$32.1
2006	0.98%	\$31.9
2005	0.97%	\$31.2
2004	-1.0%	\$30.3
2003	0.98%	\$30.7
2002	0.87%	\$30.2
2001	0	\$26.5

Methodology: Reported on an annual basis from Alaska Agricultural Statistics.

Analysis of results and challenges: The data comes from surveys conducted throughout the year by the USDA National Agricultural Statistics Services.

An increase in the general public's awareness of the availability of Alaska Grown farm products has impacted total sales. The nationwide trends to "buy local" has favorably affected Alaskan farmers. As more consumers become aware of where their food is coming from (98% of Alaska's food supply is imported) they naturally want to support Alaska Grown.

B1: Strategy - Marketing assistance to agriculture industry.

Target #1: Increase producer and retail awareness in Alaska Grown programs by accomplishing 200 marketing activities.

Status #1: In 2008, 187 marketing activities were accomplished promoting both consumer and producer awareness.

Alaskan Grown Products

Year	Food services	Farmers Market	Presentations	Contact visits	YTD Total	Target
2008	105	20	46	62	233	200
2007	93	36	16	48	193	150
2006	86	13	07	19	125	100

Analysis of results and challenges: Division marketing staff have been increasing their efforts in outreach and education of the general public about Alaska Grown farm products. Direct marketing sales through farmers markets, farm stands and community supported agriculture projects are on the rise. In 2001 there were 8 farmers markets in Alaska whereas in 2008 there are 22. The Division has increased financial support (through various grant programs) to farmers and farmers market managers.

Target #2: Expand gross farm product sales by 1%

Status #2: An increase of 2.5% change in public awareness of Alaska Grown farms products in 2008 as compared to 1.0% in 2007.

Analysis of results and challenges: The data comes from surveys conducted throughout the year by the USDA National Agricultural Statistics Services.

An increase in the general public's awareness of the availability of Alaska Grown farm products has impacted total sales. The nationwide trends to "buy local" has favorably affected Alaskan farmers. As more consumers become aware of where their food is coming from (98% of Alaska's food supply is imported) they naturally want to support Alaska Grown.

C: Result - Ensure inspection and grading services are provided for agricultural production and sales.

Target #1: Inspect for USDA grade and buyer specifications.

Status #1: 458 inspections were requested and accomplished to meet statutory, federal and international contract requirements in 2008. These inspections represent approximately \$43.1 million realized from timber, exports and other products.

Target #2: 69 Alaska Grown program inspections were completed in 2008 compared to 41 in 2007.

Status #2: Conduct 100% of inspection services requested to meet statutory and state industry purchase contract requirements.

State Inspections Completed

Fiscal Year	Elk Farm	AK Grown	YTD Total	Target
FY 2008	5	64	69	100%
FY 2007	2	39	41	100%
FY 2006	10	20	30	100%
FY 2005	2	16	18	100%
FY 2004	1	17	18	100%
FY 2003	8	26	34	100%
FY 2002	2	35	37	100%

Methodology: Elk Farm= Elk Farm inspections & licenses

AK Grown=Alaska Grown User Applications

Analysis of results and challenges: These state inspections monitor compliance with state programs. Elk farm inspections are required by statute AS 03.05.075 and occur at least bi-annually and may fall outside of the state fiscal calendar for reporting purposes. Alaska Grown program inspections fluctuate as new programs and products enter the market place.

C1: Strategy - Conduct plant industry regulatory inspection and certification activities in the following areas: Fresh fruit & vegetable, international phytosanitary, elk farm, shell egg and brands.

Target #1: Conduct ~ 600 inspections requested by industry to meet statutory, federal and international contract requirements.

Status #1: In 2008, 458 inspections were requested by industry and conducted to meet statutory, federal, and international contract requirements. These inspections present approximately 43.1 million dollars of product annually.

Federal Inspections Completed

Fiscal Year	FPC	FV-300	FV-301	YTD Total
FFY 2008	54	45	359	458*
FFY 2007	48	60	404	512
FFY 2006	45	73	500	618
FFY 2005	23	176	396	595
FFY 2004	17	146	359	522
FFY 2003	14	150	652	816
FFY 2002	23	153	580	756

Methodology: FPC - Federal Phytosanitary Certificates

FV-300 - Commercial produce inspections

FV-301 - Military & institutional produce inspections

*Thru July 2008 two months remaining.

Analysis of results and challenges: These three federal inspection program activities are required by government or private purchase contracts for commercial sales activity to occur. The Phytosanitary certificates, FV300 and FV301 are federal programs; the figures are based on the federal fiscal year. These federal programs and inspections cover three areas.

1. FPC (Federal Phytosanitary Certification), required by importing countries as a condition to export Alaska plant products, these inspections cover over \$20 million dollars of forest and agricultural products.
2. FV300 federal inspections are requested by Alaska produce businesses as an official evaluation of produce for which a commerce claim has been made. These are legal documents in a court of law and represent approximately \$7.5 million dollars of produce.
3. FV301 federal inspections are required to sell to federal institutions, and some state institutions to determine if contracted quality and specifications are met on specified product. These inspections represent approximately \$15.6 million dollars of products annually.

Target #2: Field inspections.

Status #2: In 2008 69 field inspections were completed as compared to 41 in 2007.

Component: North Latitude Plant Material Center

Contribution to Department's Mission

Promote and encourage development of an agriculture industry in Alaska.

Core Services

- Develop seed and plant materials suitable for Alaska growers.

End Result	Strategies to Achieve End Result
<p>A: Through demonstration and evaluation projects, market and develop plant materials in Alaska for commercial seed production.</p> <p><u>Target #1:</u> 150 collection accessions from Alaska and Circumpolar North are maintained by PMC. <u>Status #1:</u> 450 Plant Material collections evaluated and grown by the PMC each year.</p> <p><u>Target #2:</u> Maintain off-site evaluation and demonstration plots. <u>Status #2:</u> 32 off-site evaluation and demonstration plots were maintained by PMC compared to 30 in 2007.</p>	<p>A1: Ensure that plant materials are available for agriculture and environmental activities through the North Latitude Plant Materials Center.</p> <p><u>Target #1:</u> Meet 100% of requests for true seed originating from commercial producers. <u>Status #1:</u> Each year the PMC continued to meet the demand, for true seed, requested by commercial producers. To date 15 requests have been completed in calendar year 2008.</p>
End Result	Strategies to Achieve End Result
<p>B: By developing revegetation specifications, we market seeds produced in Alaska.</p> <p><u>Target #1:</u> Respond to 110-120 requests for revegetation advice and specifications. <u>Status #1:</u> 274 requests for revegetation advice and specifications were received by PMC, compared to 265 in 2007.</p>	<p>B1: Provide timely service to those who request information and have an on-line revegetation manual by FY07.</p> <p><u>Target #1:</u> Develop on-line Statewide Revegetation Manual before June 30 2007. Hardcopy manual and 2nd edition in 2008. <u>Status #1:</u> Both manuals have been completed.</p>
End Result	Strategies to Achieve End Result
<p>C: The Plant Materials Center is the state's repository and source for Alaska developed crop seed and plantlets.</p> <p><u>Target #1:</u> 81 tested and adapted crop collection for commercial production in Alaska were made available by PMC compared to 70 in 2007. <u>Status #1:</u> Make available 66 tested and adapted crop collections for commercial production in Alaska.</p>	<p>C1: Continue to produce in an efficient manner all the needed crop cultivars or cultivar equivalents requested and needed by producers in Alaska.</p> <p><u>Target #1:</u> 100% satisfaction from the commercial growers in Alaska. <u>Status #1:</u> The PMC continues to meet certification standards maintained by the Alaska Seed Growers Association.</p>

Major Activities to Advance Strategies

- Test and develop new crops for industry.
- Continue Alaska Seed Growers assistance programs.
- Maintain repository of Alaska crop seeds.
- Continue development of revegetation materials.
- Refine revegetation recommendations and develop new techniques for land restoration.
- Continue the Native Plant Commercialization and Evaluation Program.
- Continue International Cooperation programs.
- Continue High Latitude seed acquisition programs.
- Continue to market native plant seed through specifications and recommendation.
- Continue seed user education programs
- Continue monitoring and evaluating revegetation, reclamation, and erosion control projects.
- Continue coordinating demand and supply issues with growers and users.
- Continue the Ethnobotany project.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,095,500

Personnel:

Full time	14
Part time	9
Total	23

Performance

A: Result - Through demonstration and evaluation projects, market and develop plant materials in Alaska for commercial seed production.

Target #1: 150 collection accessions from Alaska and Circumpolar North are maintained by PMC.

Status #1: 450 Plant Material collections evaluated and grown by the PMC each year.

Plant Material Collections in Evaluation - PMC

Year	YTD Total	Target
2009	310	75
2008	390	150
2007	450	450
2006	451	450
2005	424	400
2004	428	400

Analysis of results and challenges: The PMC documents field plantings and records planting sites. We also list sales and production in the annual report. The PMC tests and develops new crops for industry through a systematic evaluation program and off-site demonstration plot network. We have an extensive program in new crop development. This is the basic purpose of the PMC. The 150 collections under evaluation in CY08 are accessions that have been collected throughout Alaska and the Circumpolar North.

Target #2: Maintain off-site evaluation and demonstration plots.

Status #2: 32 off-site evaluation and demonstration plots were maintained by PMC compared to 30 in 2007.

Off-Site Evaluation Plot Totals Through out Alaska

Year	YTD Total
2009	20
2008	32
2007	30
2006	26
2005	24
2004	11

Analysis of results and challenges: Off-site evaluation plots are critical aspects of product development and specification and development. They allow factual evaluation on multiple geographic and climatic regions in the diverse State of Alaska. The more off-site plots the PMC has the better the product testing & promotion becomes.

A1: Strategy - Ensure that plant materials are available for agriculture and environmental activities through the North Latitude Plant Materials Center.

Target #1: Meet 100% of requests for true seed originating from commercial producers.

Status #1: Each year the PMC continued to meet the demand, for true seed, requested by commercial producers. To date 15 requests have been completed in calendar year 2008.

Percentage of Requests met

Year	YTD Total
2008	100%
2007	100%
2006	100%
2005	100%

Analysis of results and challenges: To date we have completed 15 requests in calendar year 2008 for seed needed for projects and by seed producers.

B: Result - By developing revegetation specifications, we market seeds produced in Alaska.

Target #1: Respond to 110-120 requests for revegetation advice and specifications.

Status #1: 274 requests for revegetation advice and specifications were received by PMC, compared to 265 in 2007.

Annual Revegetation Advice

Year	Calls	Solutions
2009	310	310*
2008	274	274
2007	265	265
2006	222	222
2005	216	214
2004	109	108

Methodology: *To date

Analysis of results and challenges: The PMC provides information to DOT/PF, various mining companies, and engineering firms for revegetation and erosion control. These specifications are based on the evaluation plots and in most cases promote the use of Alaska produced seed. This is a marketing activity that sells Alaskan seed and assures the using agencies of high quality information and successful revegetation projects.

B1: Strategy - Provide timely service to those who request information and have an on-line revegetation manual by FY07.

Target #1: Develop on-line Statewide Revegetation Manual before June 30 2007. Hardcopy manual and 2nd edition in 2008.

Status #1: Both manuals have been completed.

Analysis of results and challenges: The Statewide Revegetation Manual was completed in FY08 and is available on-line.

C: Result - The Plant Materials Center is the state's repository and source for Alaska developed crop seed and plantlets.

Target #1: 81 tested and adapted crop collection for commercial production in Alaska were made available by PMC compared to 70 in 2007.

Status #1: Make available 66 tested and adapted crop collections for commercial production in Alaska.

Total number of crop collections available for in-state production

Year	CROPS*	YTD Total
2009	78	78
2008	81	81
2007	70	70
2006	57	57
2005	58	50
2004	50	50

Analysis of results and challenges: The total number of crops made available for commercial production in-state is the true result of the Facility. That is why we exist. The materials are a critical link for a commercial seed industry. This is the so called "seed corn" or the primary source of high quality seed for animal forage, revegetation species and grain. This also represents the species and varieties specifically developed for use in Alaska. There is no other source of basic foundation class seed for these varieties in the world.

C1: Strategy - Continue to produce in an efficient manner all the needed crop cultivars or cultivar equivalents requested and needed by producers in Alaska.

Target #1: 100% satisfaction from the commercial growers in Alaska.

Status #1: The PMC continues to meet certification standards maintained by the Alaska Seed Growers Association.

Component: Agriculture Revolving Loan Program Administration

Contribution to Department's Mission

Promote and encourage development of an agriculture industry in Alaska.

Core Services

- The Board of Agriculture and Conservation (BAC) administers the Agricultural Revolving Loan Fund (ARLF) through the Division of Agriculture.

End Result	Strategies to Achieve End Result
<p>A: Sustained availability of financing for future agricultural development and expansion in Alaska. ARLF celebrated 55 years of service to Alaska in 2008.</p> <p><u>Target #1:</u> Have sufficient ARLF assets and cash to meet annual loan demand from the agricultural industry. <u>Status #1:</u> 38.96% loan to equity ratio in 2008 as compared to 39.48% in 2007.</p> <p><u>Target #2:</u> Keep delinquencies under 5%. <u>Status #2:</u> 3.5% delinquency rate in 2008 as compared to 2.5% in 2007.</p>	<p>A1: Make agricultural loans at the direction of the BAC.</p> <p><u>Target #1:</u> Approve \$1.0 to \$2.0 million dollars in loans annually. <u>Status #1:</u> \$1,147,600 was loaned in FY08 as compared to \$834,500 in FY07.</p> <p>A2: Dispose ARLF Assets obtained through foreclosure and settlements.</p> <p><u>Target #1:</u> Follow schedule of ARLF properties to be returned to the private sector. <u>Status #1:</u> \$1.5 million was returned to ARLF in 2008 from the sale of asset property.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> Process new loan applications Process loan modification requests Inspect and evaluate collateral Close loan/modification requests Service loans, contracts, leases, accounts Manage default accounts 	<ul style="list-style-type: none"> Recover foreclosed/repossessed collateral Facilitate settlements Provide protection of ARLF assets Respond to informational requests Provide asset management Dispose of foreclosed/repossessed assets

FY2010 Resources Allocated to Achieve Results	
FY2010 Component Budget: \$2,550,000	Personnel:
	Full time 6
	Part time 0
	Total 6

Performance

A: Result - Sustained availability of financing for future agricultural development and expansion in Alaska. ARLF celebrated 55 years of service to Alaska in 2008.

Target #1: Have sufficient ARLF assets and cash to meet annual loan demand from the agricultural industry.

Status #1: 38.96% loan to equity ratio in 2008 as compared to 39.48% in 2007.

Loan to Equity Ratio

Year	Loans	Equity	YTD Total
2008	\$9,126.3	\$23,426.8	38.96%*
2007	\$9,605.3	\$24,326.5	39.48%
2006	\$10,294.0	\$25,352.1	41%
2005	\$11,366.0	\$26,250.0	43%
2004	\$12,574.0	\$26,540.0	47%
2003	\$13,009.0	\$28,042.0	46%
2002	\$7,673.0	\$27,696.0	28%

Methodology: *Thru 05-08.

Analysis of results and challenges: ARLF Contract financing is not included with the loans in this measure. Most ARLF contracts were refinanced 2003; therefore, ratios prior 2003 are lower and not a true comparable. It appears that there are no more existing ARLF borrowers that wish to refinance their existing ARLF accounts. However, there may be future refinances of other non ARLF loans for agricultural purposes.

Target #2: Keep delinquencies under 5%.

Status #2: 3.5% delinquency rate in 2008 as compared to 2.5% in 2007.

Delinquency rate by year

Fiscal Year	Current	Delinquent
FY 2008	95.6%	3.5%
FY 2007	97.5%	2.5%
FY 2006	96%	4%
FY 2005	96%	4%
FY 2004	97%	3%
FY 2003	98%	2%
FY 2002	93%	7%
FY 2001	86%	14%
FY 2000	85%	15%

Analysis of results and challenges: The delinquency rate shows a decline in FY07 and may be a reflection of not doing the high risk project type loans.

A1: Strategy - Make agricultural loans at the direction of the BAC.

Target #1: Approve \$1.0 to \$2.0 million dollars in loans annually.

Status #1: \$1,147,600 was loaned in FY08 as compared to \$834,500 in FY07.

ARLF Loan Activity

Fiscal Year	Amount	# loans
FY 2008	\$1,147,600	11
FY 2007	\$834,500	11
FY 2006	\$1,108,500	13
FY 2005	\$1,014,400	14
FY 2004	\$2,544,500	19
FY 2003	\$11,370,586	69
FY 2002	\$1,637,760	22
FY 2001	\$2,961,100	36
FY 2000	\$1,720,316	33

Methodology: Note: Significant increase in FY03 over previous years is a result of regulation changes allowing refinances of existing loans from 8% to 5%; and a lower rate of interest charged on new loans.

Analysis of results and challenges: There are six loan types:

- Short term (operating)
- Chattel
- Land Clearing
- Irrigation
- Product processing
- Farm Development

Our experience is that approximately half of the annual loan demand is for short term operating loans.

The loan production increase experienced in FY03 was a one-time occurrence and it did not require a corresponding cash outflow as most of the loans were conversions from Title 28 Agricultural Land purchase contracts and other agriculture loan refinances to ARLF loans.

A2: Strategy - Dispose ARLF Assets obtained through foreclosure and settlements.

Target #1: Follow schedule of ARLF properties to be returned to the private sector.

Status #1: \$1.5 million was returned to ARLF in 2008 from the sale of asset property.

ARLF schedule of Property Disposals

Fiscal Year	DESCRIPTION	LOCATION	VALUE	ACTION
FY 2010	Dairy Farm 102 acres	Delta	\$409,000	0 0%
FY 2009	Matanuska Maid Facility	Palmer	\$1,318,000*	0 0%
FY 2009	Unimproved Lot 7 acres	Kenai	\$19,500	0 0%
FY 2009	Non-Ag Residential 39 acres	Anchor Point	\$150,000	0
FY 2008	Matanuska Maid Facility	Anchorage	\$1,527,501.99*	Sold
FY 2006	Fish Processing Facility	Fairbanks	\$220,000	Sold
FY 2006	Tract 17 Dairy 612 acres	Pt. MacKenzie	\$1,450,000	Sold

*Methodology: *The Palmer Matanuska Maid property will be sold December 2008. The funds will be returned to the Agriculture Revolving Loan Fund (ARLF).*

Analysis of results and challenges: Agricultural land and equipment disposals are averaging 3-6 months to complete from the time the BAC authorizes disposal. This transfers real and personal property from State ownership to the private sector. Effort towards privatization of ARLF assets continues to be a Division priority. Regulatory requirements regarding disposal of infrastructure assets require more time to complete the disposal process.

Component: Conservation and Development Board**Contribution to Department's Mission**

The Natural Resource Conservation and Development Board provides for the development, use, and conservation of farm, forest, and grazing land of the state in accordance with its capabilities by advising the Commissioner and the Soil and Water Conservation Districts in conservation planning and priorities.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$116,000****Personnel:**

Full time	1
Part time	0
Total	1

Component: Public Services Office

Contribution to Department's Mission

Facilitate one-stop public interface for divisions and offices of DNR.

Major Activities to Advance Strategies

- Keep two staffed Public Information Centers available for Alaskans in Anchorage and Fairbanks
- Provide public access computers in the centers to allow land research.
- Work with customers to insure complete applications and forms before forwarding to adjudicators.
- Collect revenues and provide accurate receipting of financial transactions.
- Provide timely response to all public requests via emails, letters and in-person.
- Provide timely processing of applications for authorizations.
- Provide professional and friendly customer service by training and knowledgeable staff.
- Train staff on all new programs, developments, procedures, and technology.
- Place current and updated information, fact sheets, forms and applications for all DNR programs on the web.
- Create customer satisfaction card and track results.
- Keep public informed of accomplishments, services and changes through the media.
- Develop communication strategies for programs.
- Respond to media and legislative requests for information.
- Provide the customer assistance for land sales.
- Assist Land Records and Information Services in creating interactive application submission systems and train the public in the use of new technology.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$495,800

Personnel:

Full time	6
Part time	0
Total	6

Component: Trustee Council Projects

Contribution to Department's Mission

To support restoration of resources and services injured by the Exxon Valdez Oil Spill including state land, archaeological resources, recreational resources, and intertidal resources.

Core Services

- DNR provides significant technical support and contractual services to the Exxon Valdez Oil Spill Trustees and the Restoration Office.
- Support services include contracting for a variety of professional services such as appraisals, verification of private sector appraisal work, title research, hazardous materials assessments, surveys, and mapping and other professional services as necessary to protect State interests and for the Trustee Council to reach closure on negotiated agreements for small parcels.
- DNR also manages contracts and cooperative agreements with other state and federal agencies, divisions, private entities and municipalities to facilitate restoration of habitat, identification of and access to disparate information and data sources, and enhancement of cultural resources.

Major Activities to Advance Strategies

- Manage implementation of an Archaeological Repository grant providing display facilities to eight communities in the oil spill affected area.
- Contract for technical services as requested by the EVOS Restoration Office.
- Provide due diligence on behalf of the state relative to EVOS funded small parcels.
- Provide data and information services as requested by the EVOS Restoration Office.
- Provide financial and programmatic reports to the Trustee Council on EVOS funded programs as requested and required.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$426,900

Personnel:

Full time	0
Part time	0
Total	0

Component: Interdepartmental Information Technology Chargeback**Contribution to Department's Mission**

Provide DNR staff secure and reliable access to state telecommunications, data resources, and network computing services at the lowest total cost; and support public access to public data.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$1,706,000****Personnel:**

Full time	8
Part time	0
Total	8

Component: Human Resources Chargeback**Contribution to Department's Mission**

This component provides for RSA payment to Department of Administration (DOA), Division of Personnel, for services received under the Human Resources Integration plan, which consolidated all human resource management and services in DOA.

Core Services

- The core services of human resource management for DNR are provided by the DOA/Division of Personnel. This component only reflects the chargeback costs assessed to DNR.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$929,500****Personnel:**

Full time	0
Part time	0
Total	0

Component: DNR Facilities Rent and Chargeback**Contribution to Department's Mission**

This component holds general fund authorization to support DNR facilities rent and chargeback costs.

Core Services

- Base general fund payment for building lease and chargebacks.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,792,500

Personnel:

Full time	0
Part time	0
Total	0

Component: Facilities Maintenance**Contribution to Department's Mission**

Component required to estimate facility maintenance costs, as required by legislation enacted as SLA98/CH90 - AS 37.07.020(e).

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$300,000****Personnel:**

Full time 0

Part time 0

Total 0

Component: Development - Special Projects**Contribution to Department's Mission**

This component has provided authorization for special one-time projects, reclamation bonds in support of development of natural resources, and the mine reclamation trust fund expenditures.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$0****Personnel:**

Full time	0
Part time	0
Total	0

Component: Mental Health Trust Lands Administration

Contribution to Department's Mission

The Trust Land Office (TLO), supported by funds derived from Trust Income, manages and develops Alaska Mental Health Trust lands on behalf of the Alaska Mental Health Trust Authority to help improve the lives and circumstances of Trust beneficiaries. Annual income earned is available for distribution by the Trust Authority in the following year; principal earned contributes to income distributed in subsequent years.

Major Activities to Advance Strategies

- Generate \$1.8M in spendable income and \$2.5M in principal.
- Manage existing and create new business through sales, licenses, leasing and project development.
- Coordinate with Resource Management Committee (RMC) on annual work plan and consult with RMC on specific actions to implement work plan.
- Enhance Trust land values through subdivision improvements and actions, and acquire new lands and improvements for The Trust.
- Provide efficient and accountable Trust Land Office administration.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$1,783,300

Personnel:

Full time	12
Part time	0
Total	12

State Public Domain and Public Access Results Delivery Unit**Contribution to Department's Mission**

See information at individual component detail level.

Core Services

- See information at individual component detail level.

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: \$600,800

Personnel:

Full time	2
Part time	1
Total	3

Component: Citizen's Advisory Commission on Federal Areas**Contribution to Department's Mission**

Identify and reduce potential negative impacts on Alaska and its citizens from federal actions on federal land in the state

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$252,800****Personnel:**

Full time	1
Part time	1
Total	2

Component: RS 2477/Navigability Assertions and Litigation Support

Contribution to Department's Mission

Protect public access across rights-of-way initially established on federal land as per Revised Statute 2477 from the Mining Act of 1866

Core Services

- Identify routes that appear to qualify as public rights-of-way under Revised Statute 2477 from the Mining Act of 1866 (RS 2477)
- Defend public access on RS 2477 rights-of-way across non-state-owned land
- Defend and clarify title of submerged land under navigable water bodies
- Maintain and update databases, files, and maps of State-owned navigable waters
- Provide research and technical support for the Department of Law when resolving title defense issues through litigation
- Defend legal access to state lands

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$348,000

Personnel:

Full time	1
Part time	0
Total	1

Statewide Fire Suppression Program Results Delivery Unit**Contribution to Department's Mission**

Manage wildland fires on state, municipal, and private lands

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: \$30,360,900

Personnel:

Full time 32

Part time 181

Total 213

Component: Fire Suppression Preparedness

Contribution to Department's Mission

The Division contributes to the Department's mission in the fire suppression preparedness component by ensuring that the Division's wildland fire suppression resources are in a state of readiness to safely and cost-effectively initial attack wildland fires that pose a threat to life and property and to safely manage fires for cost effectiveness and resource benefit. This component supports the Department's mission by providing wildland fire protection on state, private and municipal lands in Alaska, commensurate with the values at risk.

Core Services

- Provides for delivery of services in the wildland fire suppression preparedness program as part of its statutory responsibility under AS41.15.010.
- Provides personnel, fire training, equipment, facilities and related support activities for Alaska's wildland fire management program. Establishes fire fighting readiness.
- Provides a management mechanism to allow fire to play its natural role in the environment without compromising safety to life and property
- Promotes fire prevention and mitigation of fire damage.
- Provides training in Incident Command System and required areas
- Certifies Fire Fighters to national standards.
- Provides for joint fire response with other government agencies.
- Strengthens local/state fire response.

End Result	Strategies to Achieve End Result
<p>A: Provide wildland fire protection on state, private and municipal land commensurate with the values at risk.</p> <p><u>Target #1:</u> Provide safe, cost effective wildland fire protection services to the State of Alaska.</p> <p><u>Status #1:</u> There were no serious injuries to firefighters or the public during the 2008 fire season. The Division continues to provide outstanding wildland fire management services to the citizens of Alaska and to local, state and federal land management agencies. A statute update in 2008 provides clear authority to the Division in basing fire management decisions on the values that are at risk from wildland fire.</p>	<p>A1: Provide safe, cost effective wildland fire protection: Provide appropriate management response to wildland fires that occur on State of Alaska protection areas. Statistics are recorded by fiscal year unless otherwise noted.</p> <p><u>Target #1:</u> Contain 90% of wildland fires within 10 acres on lands designated in 'Critical' and 'Full' (Urban Interface) management options in accordance with the Interagency Fire Management Plans (fiscal year reporting).</p> <p><u>Status #1:</u> There were no serious injuries to firefighters or the public during the 2008 fire season. Initial Attack success once again exceeded the target.</p> <p><u>Target #2:</u> Provide Appropriate Management Response (AMR) to all fires in "Modified" and "Limited" management option areas.</p> <p><u>Status #2:</u> There were 35 fires that were not initially attacked (in Limited and Modified). Appropriate Management. Responses to these fires ranged from monitoring only to protection of specific sites. There was considerable cost savings associated with using fire management strategies other than full suppression.</p> <p>A2: Maintain capability of firefighting forces: Provide</p>

	<p>training and fitness certification for state, local, volunteer and emergency firefighters.</p> <p><u>Target #1:</u> Maintain a qualified and certified state and local firefighting workforce to respond to wildland fires, reported by fiscal year.</p> <p><u>Status #1:</u> All firefighters employed on State of Alaska fires in 2008 were fully trained and certified. Additionally, many of these same firefighters were deployed to fires throughout the Lower 48 states which provided valuable service to federal land management agencies, provided invaluable experience to Alaskan firefighters, and returned significant income to rural Alaskans.</p> <p>A3: Reduce human-caused wildland fire starts: Aggressive prevention and educational campaign based on Firewise principles.</p> <p><u>Target #1:</u> Raise public awareness of fire danger and hazard fuel mitigation options in urban and rural Alaska while preventing an increase in the overall number of human caused fires</p> <p><u>Status #1:</u> Aggressive fire prevention and fire hazard mitigation programs were in place in 2008. Public outreach through media releases, Public Service Announcements, Governor Proclamation, school and public event programs, and direct public contact, all contributed to getting the fire prevention and homeowner responsibility message to Alaskan citizens.</p> <p><u>Target #2:</u> Manage open burning by the public during the fire season.</p> <p><u>Status #2:</u> Open burning was managed through the issuance of burn permits and the use of burn permit suspensions and open burning closures.</p> <p><u>Target #3:</u> Increase suppression cost recovery.</p> <p><u>Status #3:</u> 2008 saw a significant increase in state revenue from suppression cost recovery actions. Through collaboration with the Department of Law, collection damage claims for both the 2006 Parks Highway Fire and 2007 Caribou Hills Fire were successfully negotiated.</p> <p>A4: Reduce property loss from wildland fire through hazardous fuel reduction and public education of homeowner responsibility based on Firewise principles.</p> <p><u>Target #1:</u> Raise public awareness of hazard fuel mitigation and home construction options in Alaska that will reduce property loss from wildland fire.</p> <p><u>Status #1:</u> A significant increase in public awareness was identified through Individual Home Assessments as a result of the Community Wildfire Protection Plans which were completed for six communities in Alaska,</p>
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	<p>Target #2: Provide public education and preparedness through the Firewise Program.</p> <p>Status #2: The Division of Forestry offers Firewise classes to the public through community, school, individual, and other channels.</p> <p>A5: Maintain capability of aerial firefighting and aerial support resources.</p> <p>Target #1: Maintain a combination of Federal Excess Property Program (FEPP) and contracted aircraft to provide a safe and cost effective aviation program in support of the fire management program.</p> <p>Status #1: The Division continues to maintain and use an effective fleet of tactical and support aircraft. Contract air tankers and helicopters were replaced (through a competitive bid process) with more capable aircraft.</p>
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Major Activities to Advance Strategies

- Initial attack and suppress fires in critical and full management options.
- Provide fire response vehicles and engines for roadside suppression activities.
- Provide fire support vehicles to meet logistical needs of fire equipment, aircraft and personnel.
- "Provide a combination of contract, leased & federal excess helicopter, air tanker, & fixed wing aircraft services for aerial firefighting & logistic
- Provide appropriate fire management response to other lands as identified in the Alaska Interagency Wildland Fire Management Plan.
- "Provide a mechanism to allow fire to safely play its natural role in the boreal forest ecosystem.
- Develop expansion plans for dispatch and warehouse facilities and offices.
- Manage, train and prepare 27 16 person Type 2 EFF crews for employment.
- Manage one 20 person Type 1 crew for fire suppression and hazard mitigation assignments.
- Manage one native corporation funded Type 2 crew for development as a Type 1 crew.
- Provide annual fireline safety refresher training; provide firefighter training in accordance with NWCG guidelines to maintain a qualified work force.
- Participate in the Northwest Fire Compact with northwestern states and provinces.
- Administer Volunteer Fire Assistance federal grant program.
- Actively manage open debris burning through issuing burn permits facilitating open burning closures to minimize costly human-caused fire starts.
- Provide public information and education on fire prevention; provide fire danger signs and burn restrictions.
- Issue and track burn permits.
- In cooperation with the interagency community, host regional Firewise workshops.
- Coordinate with cooperating agencies to eliminate costly duplicative preparedness activities.
- Evaluate fire suppression management options to ensure the appropriate level of protection is being provided to state, municipal, and private lands.
- Develop cost-effective alternatives to traditional fire suppression strategies through the Wildland Fire Situation Analysis process.
- Contract with Alaska vendors for services, aircraft, supplies and equipment to be provided during suppression actions statewide.
- Provide firefighting resources for assignments outside of Alaska when conditions allow.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$16,688,000

Personnel:

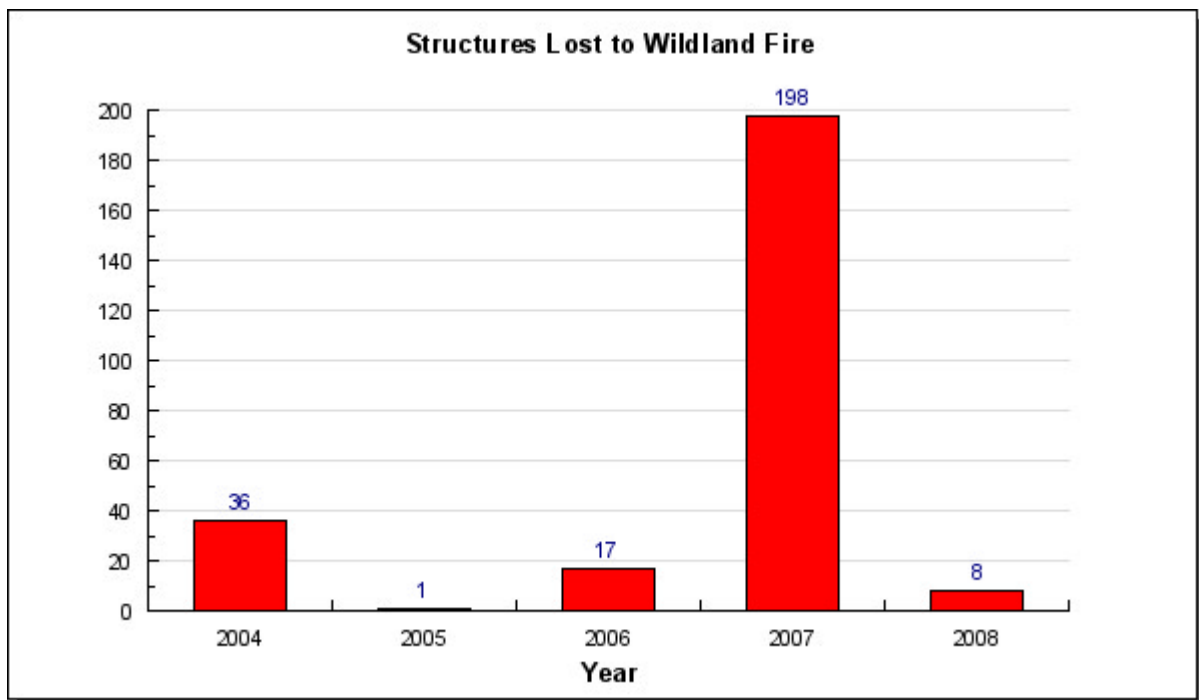
Full time	32
Part time	181
Total	213

Performance

A: Result - Provide wildland fire protection on state, private and municipal land commensurate with the values at risk.

Target #1: Provide safe, cost effective wildland fire protection services to the State of Alaska.

Status #1: There were no serious injuries to firefighters or the public during the 2008 fire season. The Division continues to provide outstanding wildland fire management services to the citizens of Alaska and to local, state and federal land management agencies. A statute update in 2008 provides clear authority to the Division in basing fire management decisions on the values that are at risk from wildland fire.



Structures Lost to Wildland Fire

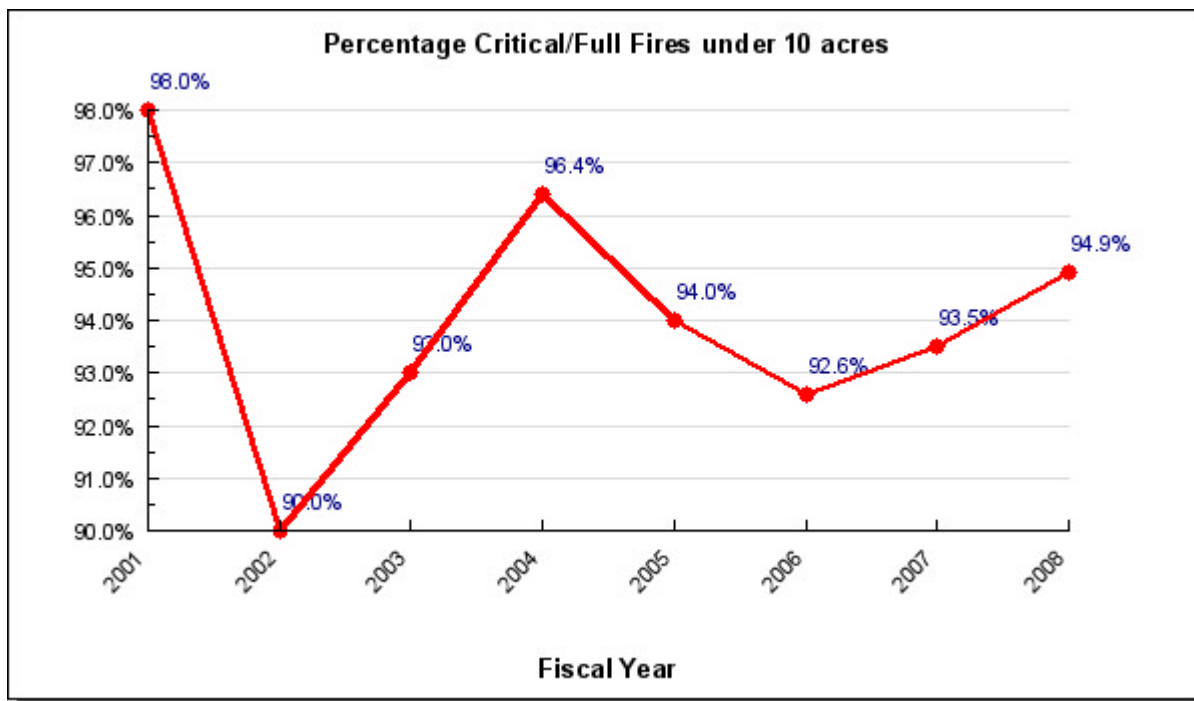
Year	Structures Lost
2008	8
2007	198
2006	17
2005	1
2004	36

Analysis of results and challenges: There has been no loss of life due to wildland fire since the since the state began fire protection services in the 1970s. There were no homes and only 8 outbuildings lost to wildland fire in 2008. The high losses in 2007 were primarily from the Caribou Hills Fire where 88 houses/cabins and 110 out buildings were burned by a wind driven fire in a beetle killed spruce forest. The number of structures saved is a more significant reflection of this performance measure, but is difficult to quantify. Due to the uncertain nature of wildland fire, a direct year to year comparison of losses is not a true measure of success. The location of fire starts, weather, fuel characteristics, work done in advance by homeowners to protect their own property, and a myriad of other factors that are not controlled by the Division of Forestry all play into the degree of loss experienced in a single year. A better indication of success would be the loss of life and property that did not occur due to a safe, cost effective fire protection program, but events that do not occur are difficult to measure.

A1: Strategy - Provide safe, cost effective wildland fire protection: Provide appropriate management response to wildland fires that occur on State of Alaska protection areas. Statistics are recorded by fiscal year unless otherwise noted.

Target #1: Contain 90% of wildland fires within 10 acres on lands designated in 'Critical' and 'Full' (Urban Interface) management options in accordance with the Interagency Fire Management Plans (fiscal year reporting).

Status #1: There were no serious injuries to firefighters or the public during the 2008 fire season. Initial Attack success once again exceeded the target.



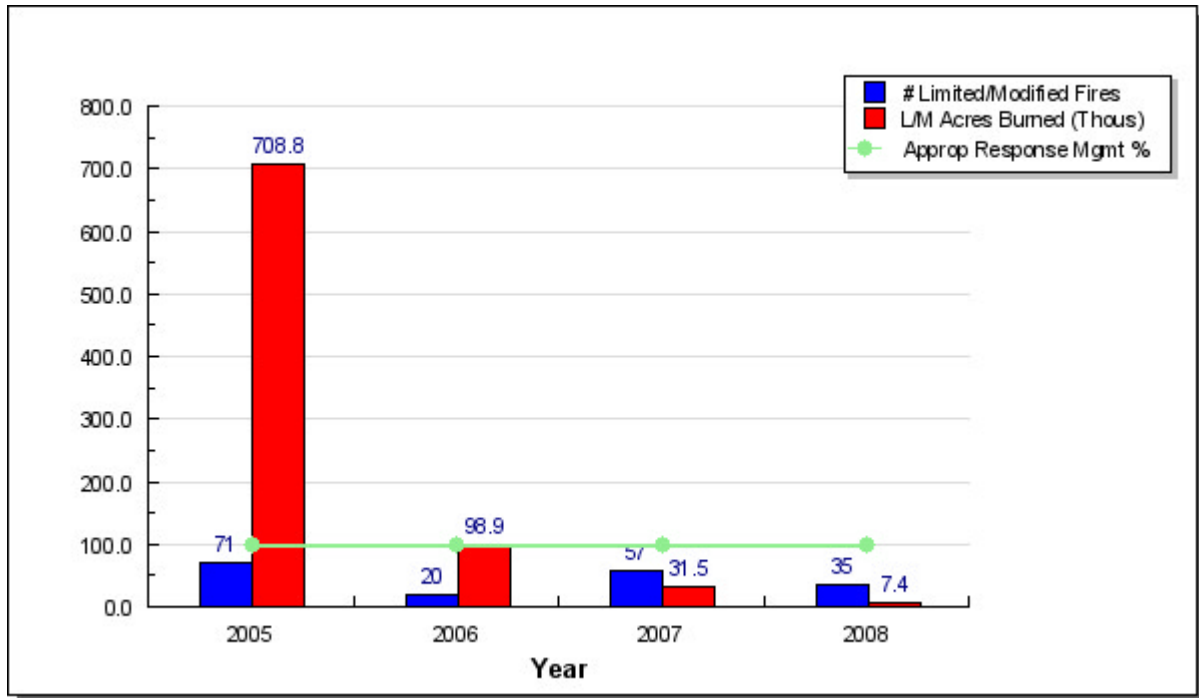
Percentage Critical/Full Fires under 10 acres

Fiscal Year	YTD Total
FY 2008	94.9%
FY 2007	93.5%
FY 2006	92.6%
FY 2005	94.0%
FY 2004	96.4%
FY 2003	93.0%
FY 2002	90.0%
FY 2001	98.0%

Analysis of results and challenges: Percentage of fires kept at 10 acres or less in "Full" and "Critical" protection reflects the success of initial attack and reflects effective cost management by preventing large fires which keeps the cost of protection lower. Factors impacting this success include early detection, response time to wildland fire incidents, weather and fuels conditions, and availability of resources.

Target #2: Provide Appropriate Management Response (AMR) to all fires in "Modified" and "Limited" management option areas.

Status #2: There were 35 fires that were not initially attacked (in Limited and Modified). Appropriate Management Responses to these fires ranged from monitoring only to protection of specific sites. There was considerable cost savings associated with using fire management strategies other than full suppression.



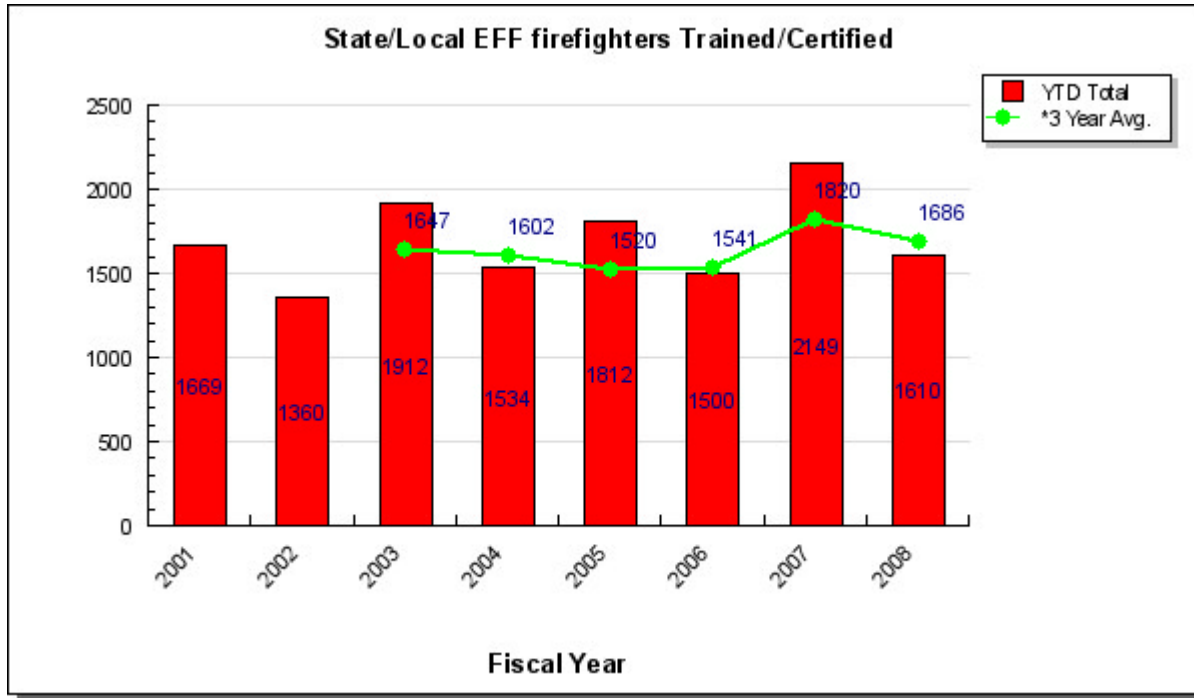
Year	# Limited/Modified Fires	L/M Acres Burned (Thous)	Approp Response Mgmt %
2008	35	7.4	100%
2007	57	31.5	100%
2006	20	98.9	100%
2005	71	708.8	100%

Analysis of results and challenges: Success in the "Limited" and "Modified" fire management option areas cannot generally be measured by the number or size of fires, since these are primarily natural (lightning) caused fires and suppression actions are not normally aimed at keeping the fire to the smallest possible size. Success is a function of implementing strategies that meet land managers resource objectives while protecting sites that have been identified in the Alaska Interagency Fire Management plan as warranting protection. Success in receiving Appropriate Management Response is indicated by following pre-planned actions identified in the Alaska Interagency Fire Management Plan or as otherwise directed in writing by the affected land management agency.

A2: Strategy - Maintain capability of firefighting forces: Provide training and fitness certification for state, local, volunteer and emergency firefighters.

Target #1: Maintain a qualified and certified state and local firefighting workforce to respond to wildland fires, reported by fiscal year.

Status #1: All firefighters employed on State of Alaska fires in 2008 were fully trained and certified. Additionally, many of these same firefighters were deployed to fires throughout the Lower 48 states which provided valuable service to federal land management agencies, provided invaluable experience to Alaskan firefighters, and returned significant income to rural Alaskans.



Methodology: Training is accomplished in the 4th quarter of each year.

State/Local EFF firefighters Trained/Certified

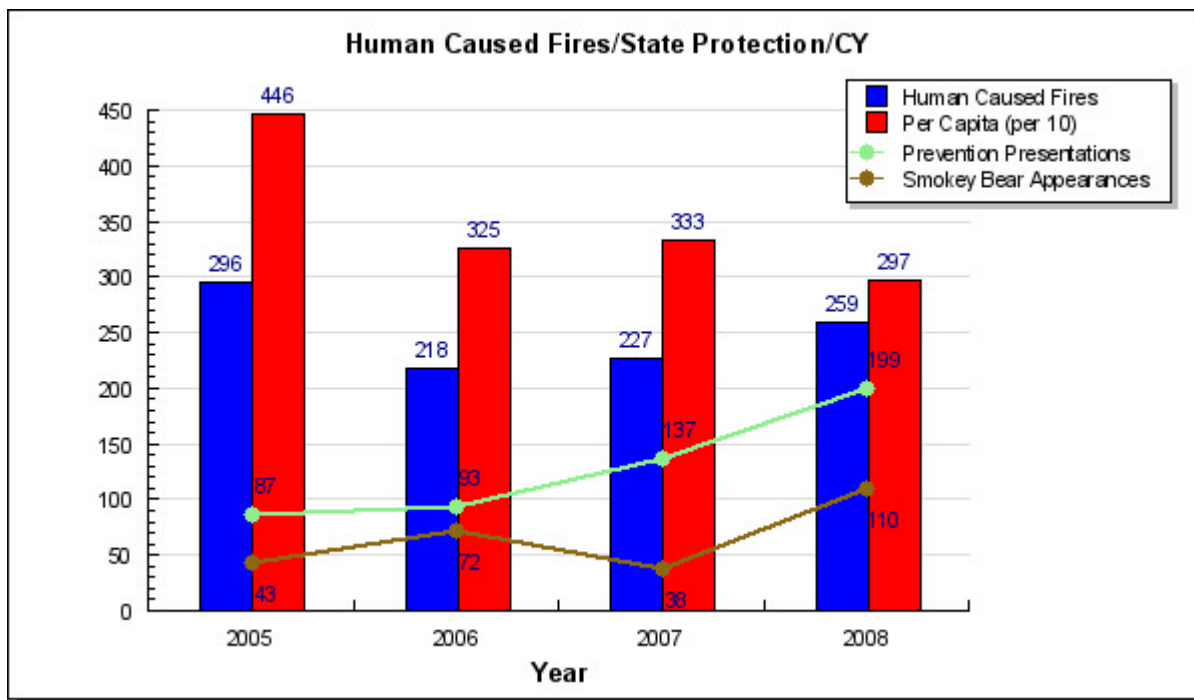
Fiscal Year	YTD Total	*3 Year Avg.
FY 2008	1610	1686
FY 2007	2149	1820
FY 2006	1500	1541
FY 2005	1812	1520
FY 2004	1534	1602
FY 2003	1912	1647
FY 2002	1360	
FY 2001	1669	

Analysis of results and challenges: Efficient, cost effective, and successful initial attack relies on the highly trained seasonal Division of Forestry (DOF) firefighters, structure/volunteer local fire departments, local Emergency Fire Fighters and EFF Crews. Annual training and certification ensures the availability of this workforce when needed during fire activity. This on-call force, maintained through agreements saves the State millions in not having to maintain a larger state firefighter workforce as regular employees when not needed. Variation in the number of individuals trained year to year is largely due to forces in the rural economy that relate to employment. In order to maintain Emergency Firefighter (EFF) crews in remote villages, training is delivered on a rotating basis to each village every three years. The number of potential trainees depends on the size of the village and other job opportunities that exist. The availability of instructors is also dependant on fire occurrence. The instructor pool is comprised of seasonal firefighters who must also respond to fires, which are increasingly occurring earlier in the season when most DOF training is conducted.

A3: Strategy - Reduce human-caused wildland fire starts: Aggressive prevention and educational campaign based on Firewise principles.

Target #1: Raise public awareness of fire danger and hazard fuel mitigation options in urban and rural Alaska while preventing an increase in the overall number of human caused fires

Status #1: Aggressive fire prevention and fire hazard mitigation programs were in place in 2008. Public outreach through media releases, Public Service Announcements, Governor Proclamation, school and public event programs, and direct public contact, all contributed to getting the fire prevention and homeowner responsibility message to Alaskan citizens.



Human Caused Fires/State Protection/CY

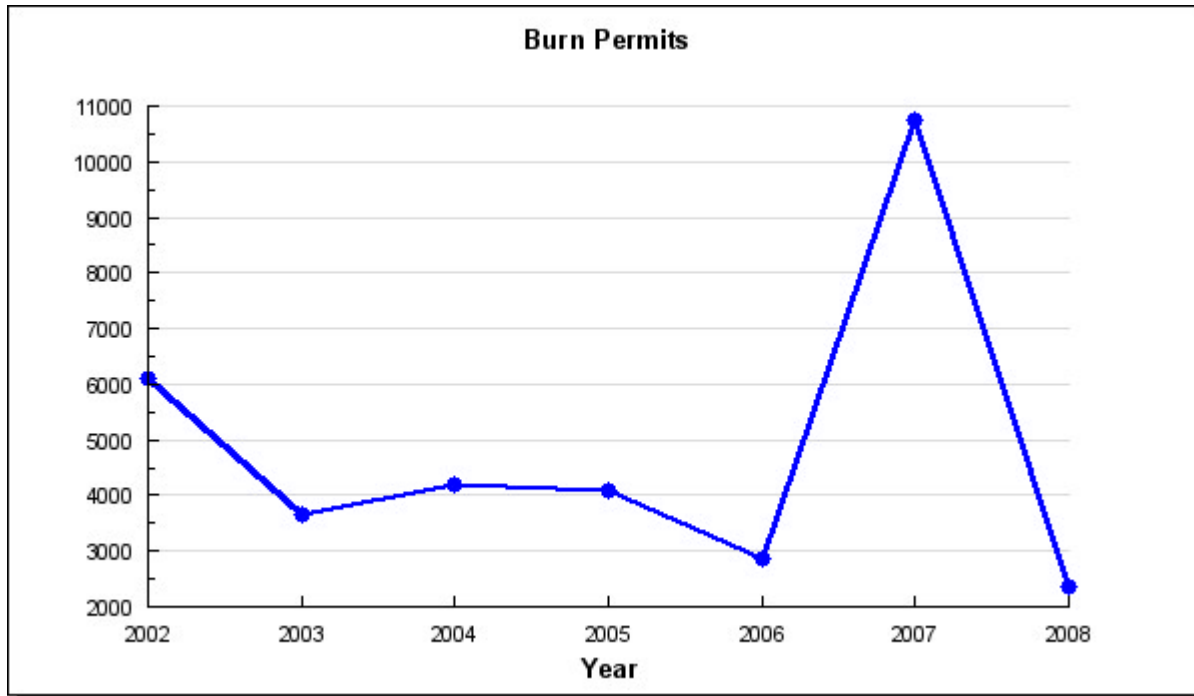
Year	Human Caused Fires	Per Capita (per 10)	Prevention Presentations	Smokey Bear Appearances
2008	259	297	199	110
2007	227	333	137	38
2006	218	325	93	72
2005	296	446	87	43

Analysis of results and challenges: Fires in Alaska are started either by lightning or by human activity. Human caused fires can be prevented or mitigated by raising the public awareness of fire danger and how to apply Firewise principles to reduce the loss from fire. The overall trend of human caused fires as a percentage of all fire starts is

downward, which indicates that fire prevention activities have been successful, in spite of increased population in forested urban/interface areas. However increased lightning activity in recent years as well as population increases has skewed this data somewhat. As Alaska's population increases, so does the potential for human caused fires.

Target #2: Manage open burning by the public during the fire season.

Status #2: Open burning was managed through the issuance of burn permits and the use of burn permit suspensions and open burning closures.



Methodology: Better public access was provided through direct online permitting, which decreased the office issuance of burns permits in 2008.

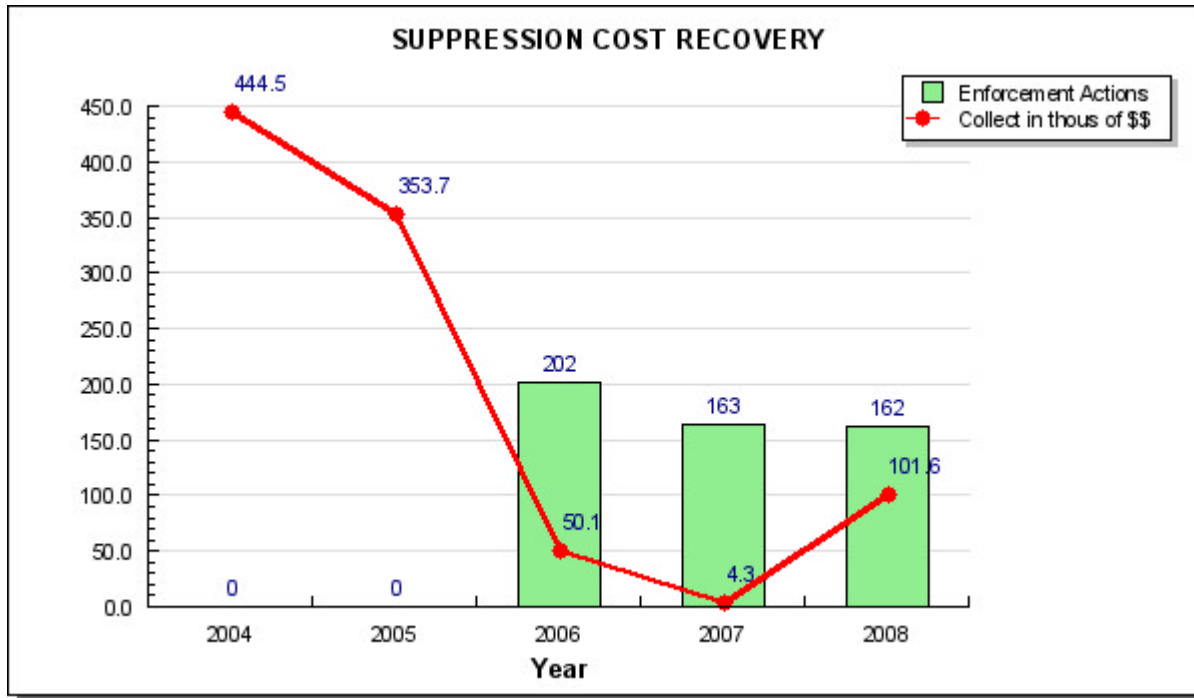
Burn Permits

Year	Burn Permits Issued
2008	2366
2007	10736
2006	2859
2005	4095
2004	4203
2003	3658
2002	6100

Analysis of results and challenges: The number of people moving into the wildland-urban interface continues to grow; the ability to manage open burning also becomes more challenging. With the introduction of innovative ideas, such as online burn permits, the challenge continues to be met, but the dangers presented by escapement of debris burns and other types of opening burning must still be addressed. The number of burn permits issued is significantly lower than previous years primarily because of a pilot project in the Mat-Su Valley where individual burn permits were replaced with a "general" permit that could be obtained free from local fire departments and a variety of other sources. These general permits do not require land owners to fill out an application, but do require that they know about safe burning practices and call their local Forestry office determine if it is safe to burn on any given day. This innovation is targeted at simplifying the burn permit process for the public and reducing workload for the Division without leading to more escaped fires from debris burning. If successful, this program will be expanded to other areas of the state and may lead to the need for a different performance measure.

Target #3: Increase suppression cost recovery.

Status #3: 2008 saw a significant increase in state revenue from suppression cost recovery actions. Through collaboration with the Department of Law, collection damage claims for both the 2006 Parks Highway Fire and 2007 Caribou Hills Fire were successfully negotiated.



Methodology: Note: Collections do not necessarily occur the same year as an enforcement action. 2004 and 2005 enforcement statistics were not reported.

SUPPRESSION COST RECOVERY

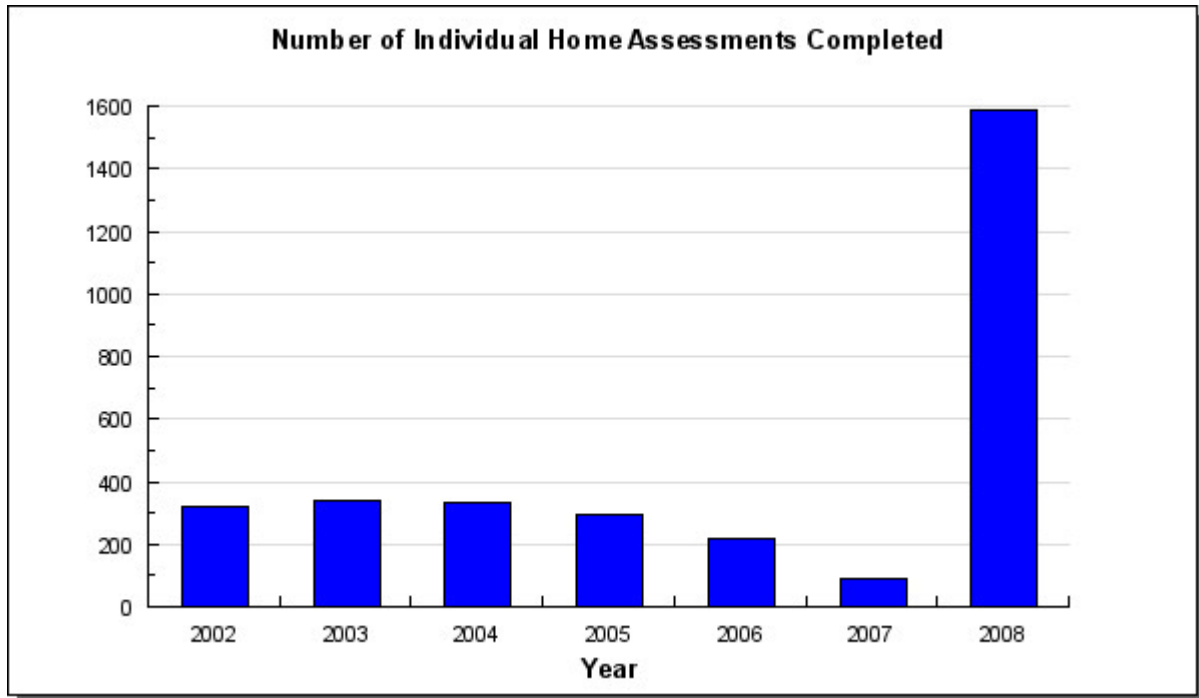
Year	Enforcement Actions	Collect in thous of \$\$
2008	162	101.6
2007	163	4.3
2006	202	50.1
2005	0	353.7
2004	0	444.5

Analysis of results and challenges: Cost recovery is best approached through enforcement of open burning regulations, which consumes significant time in investigation, case preparation and litigation. Both the cost recovery and the enforcement of open burning regulations are proving to be an effective tool in informing the public, mitigating unsafe burning practices and recovering suppression costs from fires that escape through negligent burning practices. In addition, the State has recently added training courses to ensure proper handling and higher recovery in future cases.

A4: Strategy - Reduce property loss from wildland fire through hazardous fuel reduction and public education of homeowner responsibility based on Firewise principles.

Target #1: Raise public awareness of hazard fuel mitigation and home construction options in Alaska that will reduce property loss from wildland fire.

Status #1: A significant increase in public awareness was identified through Individual Home Assessments as a result of the Community Wildfire Protection Plans which were completed for six communities in Alaska,



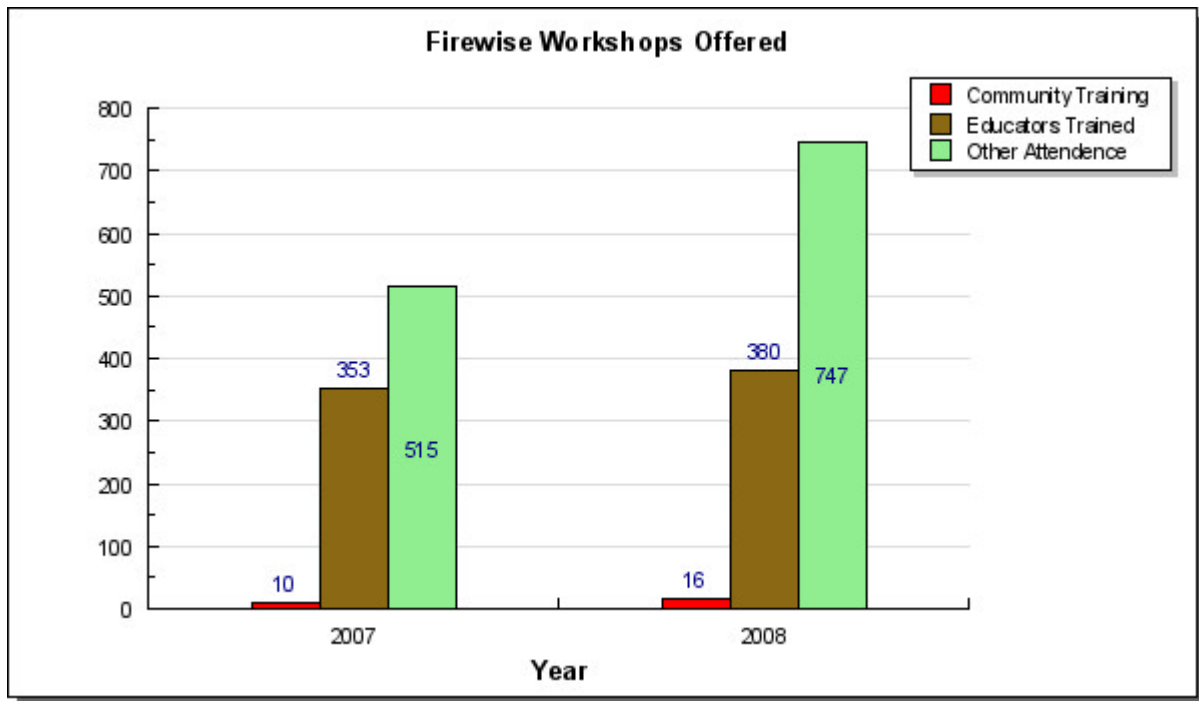
Number of Individual Home Assessments Completed

Year	Home Assessments
2008	1586
2007	91
2006	218
2005	296
2004	330
2003	339
2002	320

Analysis of results and challenges: Ultimate responsibility to reduce property loss from wildland fire resides with land and home owners who must recognize the dangers posed by living in a fire prone ecosystem and take appropriate steps to mitigate the hazard. A multi faceted approach that includes concerted planning efforts at the local community level, home owner education, and hazard fuel reduction through a variety of methods has proven nationally to be the most effective means of imparting this shared responsibility.

Target #2: Provide public education and preparedness through the Firewise Program.

Status #2: The Division of Forestry offers Firewise classes to the public through community, school, individual, and other channels.



Firewise Workshops Offered

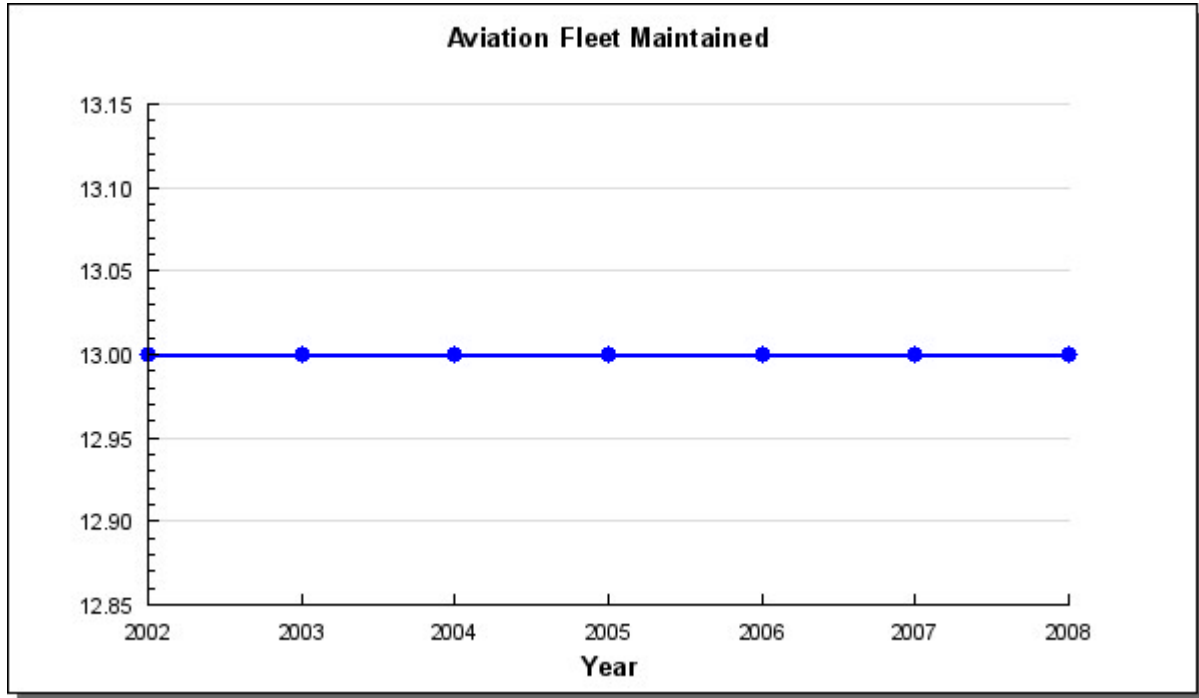
Year	Community Training	Educators Trained	Other Attendance
2008	16	380	747
2007	10	353	515

Analysis of results and challenges: In 2008 the Division received a federal grant to conduct Firewise workshops in conjunction with the Kenai Peninsula Borough. This grant provided for a concerted effort to assess fire risk of homes on the Kenai and is reflected in the significant increase in the 2008 Home Assessment total. Fire! in Alaska was also grant funded again in 2008.

A5: Strategy - Maintain capability of aerial firefighting and aerial support resources.

Target #1: Maintain a combination of Federal Excess Property Program (FEPP) and contracted aircraft to provide a safe and cost effective aviation program in support of the fire management program.

Status #1: The Division continues to maintain and use an effective fleet of tactical and support aircraft. Contract air tankers and helicopters were replaced (through a competitive bid process) with more capable aircraft.



Analysis of results and challenges: Effective wildland fire response requires a mixture of Detection, Air Attack, retardant, and rotor-wing aircraft to meet different tactical and strategic missions in remote and urban-interface areas. The Division of Forestry aircraft fleet has remained stable for the last few years and continues to provide safe and cost effective support to the fire management program with these multiple missions. The 5-year contract for two air tankers expired at the end of the 2007 fire season and a new contract was bid in the winter of 2007-2008. The air tanker contract was awarded to Conair, Ltd which filled the contract with Convair 580 air tankers. These tankers are equipped with turbine engines and have proven to be faster and more reliable aircraft than the older, non-turbine powered DC-6's, which they replaced. Three helicopters were also rebid and awarded new 5 year contracts in 2008. Two of the three helicopters were upgraded from small, type 3 helicopters with larger type 2 helicopters that have a greater capacity in both hauling ability and fire fighting effectiveness.

Component: Fire Suppression Activity**Contribution to Department's Mission**

Manage wildland fires in the safest, most efficient and cost-effective manner possible, commensurate with values at risk, on all state, municipal and private lands.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$13,672,900****Personnel:**

Full time 0

Part time 0

Total 0

Parks and Recreation Management Results Delivery Unit**Contribution to Department's Mission**

The Division of Parks and Outdoor Recreation provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment, and welfare of the people.

FY2010 Resources Allocated to Achieve Results**FY2010 Results Delivery Unit Budget: \$13,086,100****Personnel:**

Full time 98

Part time 38

Total 136

Component: State Historic Preservation Program

Contribution to Department's Mission

The Office of History and Archaeology provides an historic preservation program to encourage the preservation and protection of the historic, prehistoric and archaeological resources of Alaska.

Core Services

- Identify, document, protect and restore historic sites and buildings
- Educate Alaskans and visitors about the state's heritage resources
- Provide policy and program advice to the Commissioner, Governor and Legislature concerning history and prehistory, historic sites and buildings, and geographic names.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Maintain Alaska Heritage Resource Survey site location information in Oracle and verify. • Integrate state historic preservation program databases through DNR's Land Records System into DNR Oracle data management system. • Enter existing and new data on completed portions of Oracle database. • Enter new and updated historic site data on Alaska Heritage Resource Survey and provide information for development and land use planning. • Digitize site boundaries, district boundaries and linear features for GIS data in the Oracle system • Evaluate properties for historic significance and make determinations of eligibility for the National Register of Historic Places. • Review and comment on development projects and other activities for impacts to cultural resources and compliance with laws and regulations. • Consult with federal agencies as state liaison, representing the State's interest in protecting heritage resources. • Provide policy and program advice to Governor and Legislature on history, archaeology and geographic names through the AK Historical Commission. • Conduct cultural resource research and field surveys; prepare reports. • Administer Alaska's Historic Preservation Certified Local Government program; provide training and grants. • Develop, update, distribute and implement Alaska's State Historic Preservation Plan. | <ul style="list-style-type: none"> • Coordinate and plan special heritage initiatives and projects in cooperation with other agencies. • Administer historic preservation grants program. • Provide training, technical assistance, interpretation and education on Alaska's heritage and historic preservation programs. • Assist development of elementary, secondary and post-secondary education programs and lesson plans about Alaska archaeological & historic resources. • Use Alaska Archaeology Week/Month and Historic Preservation Week to increase visibility of historic preservation. • Certify historic preservation investment tax credit projects. • Administer the state's geographic names program. • Issue field archaeological permits for archaeological research and survey on state lands • Support transcription of Judge Wickersham diaries and make them available on State of Alaska websites, an Alaska Historical Commission project. • Review and comment on government agency land use planning documents and industry contingency hazardous spill planning documents. • Promote commemorative anniversaries of significant events, such as 50th Statehood anniversary and 100th Iditarod Historic Trail anniversary. |
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FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$1,846,200****Personnel:**

Full time 14

Part time 4

Total 18

Component: Parks Management

Contribution to Department's Mission

The Division of Parks and Outdoor Recreation provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment, and welfare of the people.

Core Services

- Provide opportunities for park visitors to have an enjoyable recreation experience by providing clean, safe and well maintained parks.

End Result	Strategies to Achieve End Result
<p>A: Provide high quality managed parks for Alaskans and visitors.</p> <p><u>Target #1:</u> Host 5 million visitor use days annually in 123 clean, safe, accessible and well maintained parks.</p> <p><u>Status #1:</u> In FY2008, nearly 5 million park visitors were hosted in the parks and two new park units were added to the park system. There are 8 parks in passive management which are open and available for public uses but have no amenities or active management.</p>	<p>A1: Ensure that all park areas, facilities and equipment are well maintained at a standardized level that enhance safety, maximizes facility and equipment life spans, and meets public expectations.</p> <p><u>Target #1:</u> Provide wide variety of access to all park areas, including campgrounds, day use areas, boat launches, trails and other recreational opportunities.</p> <p><u>Status #1:</u> All parks are open for public use.</p> <p><u>Target #2:</u> Maintain 100% of developed park facilities.</p> <p><u>Status #2:</u> 7% of park facilities within passively managed parks are not being maintained at all; in addition, approximately 20% of park facilities are not being cleaned or maintained to user expectations or to sustainable levels. 30% of park trails are not being maintained at all and about 80% of all park trails receive unsustainable levels of maintenance.</p> <p><u>Target #3:</u> Complete the renovation of 15 miles of sustainable trails within the 550 miles of State Park Trails per annum.</p> <p><u>Status #3:</u> Twenty-three miles of trail have been renovated in FY08.</p> <p><u>Target #4:</u> Annually, replace 20% of the patrol vehicles and other aging equipment to ensure disaster preparedness, improve safety and reduce maintenance costs.</p> <p><u>Status #4:</u> Replaced 10 patrol/search and rescue snowmobiles and 4 all terrain vehicles and 2 boats in FY2008.</p> <p>A2: Provide opportunities for quality recreational activities that accommodate diverse user groups, meet visitors' present and future needs, and enrich the state park experience.</p>

	<p><u>Target #1:</u> Continue statewide survey effort to identify park and visitor needs.</p> <p><u>Status #1:</u> A statewide visitor survey was implemented in FY2008 throughout the park system. To date we have received over 100 surveys with comments. The most common complaint is dirty restrooms and the second is that facilities are in disrepair.</p> <p><u>Target #2:</u> Maintain affordability for park users as identified by 80% of park users.</p> <p><u>Status #2:</u> In FY2008, park fees remained the same as FY2007 because they are already at the upper limit identified by the public in the SCORP. During FY2009 a new Statewide Comprehensive Outdoor Recreation Plan is due that will once again address what the public believes is affordable and what they are willing to pay for park experiences.</p>
End Result	Strategies to Achieve End Result
<p>B: Protect park visitors and natural and cultural resources.</p> <p><u>Target #1:</u> Provide trained staff to educate, inform, protect and give other visitor services in the parks.</p> <p><u>Status #1:</u> Have 77 field staff available to serve the public in the parks.</p>	<p>B1: Adequately train and equip Park Rangers, Natural Resource Technicians, maintenance workers managers and administrative staff to provide visitor and public safety services.</p> <p><u>Target #1:</u> Ensure all Rangers successfully complete basic law enforcement training within 1 year of hire. Train 29 law enforcement commissioned Park Rangers annually.</p> <p><u>Status #1:</u> All Rangers have successfully completed basic law enforcement training with 4 completing it in 2008. Twenty four Rangers completed refresher courses and 4 new Rangers completed field training.</p> <p><u>Target #2:</u> Provide a minimum of three days of training annually for maintenance, administrative, managerial skills to staff</p> <p><u>Status #2:</u> Met this target in FY2008 through workshops and other training opportunities. Three days of training was provided to all staff.</p>
End Result	Strategies to Achieve End Result
<p>C: Provide educational opportunities to enhance park visitors' experience.</p> <p><u>Target #1:</u> Expand educational programs in parks, schools and communities.</p> <p><u>Status #1:</u> This has not been a focus in the last few years due to lack of resources.</p>	<p>C1: Provide training to park staff to improve skills</p> <p><u>Target #1:</u> Offer training in presenting professional interpretive programs.</p> <p><u>Status #1:</u> 1000 people are served through park interpretive programs, school programs or community programs.</p>
End Result	Strategies to Achieve End Result
<p>D: Strengthen partnerships and engage new partners to achieve common goals.</p>	<p>D1: Expand partnerships for South Denali Visitor Center, youth outdoor education and non-profit park support groups.</p>

<p>Target #1: Support partners with staff time, funding and other resources</p> <p>Status #1: Various non-profit "Friends" groups supported park programs through funding donations. Princess Corporation provides funds to support an educational program in Denali State Park.</p>	<p>Target #1: Initiate the design and construction of the South Denali Visitor Center Complex in partnership with the National Park Service, DOT, the visitor industry, and the Mat-Su Borough.</p> <p>Status #1: The funding for the road portion of this project was realized in the FY 2009 Capital Budget. The planning has begun with aerial topographical imaging taken to help design the location of the road and visitor center. Engineers are currently working with this information for their design. Further fund raising is also underway.</p> <p>Target #2: Work with the Municipality of Anchorage (MOA) and other agencies and organizations in providing more outdoor educational opportunities for youth.</p> <p>Status #2: Process has just begun with organizing meetings in late FY2008.</p> <p>Target #3: Encourage the development of local "Friends of Parks" groups as well as a statewide park foundation</p> <p>Status #3: Three local "Friends of State Parks" groups have been developed and discussions are underway for developing a statewide park foundation.</p>
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Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Facilitate strategic planning and budget development. • Represent division's budgets and plans to legislature and to public. • Seek alternative ways of managing park units. • Seek appropriate transfer of park units to other entities. • Seek park management efficiencies. • Liaison with other state and local government units. • Safety and law enforcement policy development. • Natural Resource protection policy development and implementation. • Liaison with larger law enforcement/peace officer community. • Plan park development to minimize user conflict and protect resources. • Reduce expenses caused by vandalism and disruptive behavior. • Assist with search and rescue operations. | <ul style="list-style-type: none"> • Provide emergency assistance to park visitors as needed. • Administrative policy for collecting fees, recording receipts. • Control and accountability for accounting and procurement practices and procedures. • Prepare annual operating budget with supporting documentation. • Prepare annual personal services management plan with supporting documentation. • Create area and division spending plans to ensure Parks are managed within all fiscal and administrative constraint. • Evaluate advertising opportunities to maximize exposure. • Respond to 75 requests for volunteer position information per month. • Identify units that offer viable contracting opportunities for private operation. • Expand opportunities for guide or concession operations. • Create balanced fee structure. • Implement Strategic Plan |
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FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$8,506,900

Personnel:

Full time	51
Part time	34
Total	85

Performance

A: Result - Provide high quality managed parks for Alaskans and visitors.

Target #1: Host 5 million visitor use days annually in 123 clean, safe, accessible and well maintained parks.

Status #1: In FY2008, nearly 5 million park visitors were hosted in the parks and two new park units were added to the park system. There are 8 parks in passive management which are open and available for public uses but have no amenities or active management.

Analysis of results and challenges: Parks has not been successful in reducing the deferred maintenance by 3%. At the present rate the deferred maintenance backlog is growing by 10% per year.

A1: Strategy - Ensure that all park areas, facilities and equipment are well maintained at a standardized level that enhance safety, maximizes facility and equipment life spans, and meets public expectations.

Target #1: Provide wide variety of access to all park areas, including campgrounds, day use areas, boat launches, trails and other recreational opportunities.

Status #1: All parks are open for public use.

Analysis of results and challenges: Parks are open but not always clean, safe or well maintained.

Target #2: Maintain 100% of developed park facilities.

Status #2: 7% of park facilities within passively managed parks are not being maintained at all; in addition, approximately 20% of park facilities are not being cleaned or maintained to user expectations or to sustainable levels. 30% of park trails are not being maintained at all and about 80% of all park trails receive unsustainable levels of maintenance.

Analysis of results and challenges: As low as 20% of some types of park facilities are maintained and as high as 93% of other types of facilities are maintained.

Target #3: Complete the renovation of 15 miles of sustainable trails within the 550 miles of State Park Trails per annum.

Status #3: Twenty-three miles of trail have been renovated in FY08.

Analysis of results and challenges: Alaska State Parks exceeded this target. Approximately 23 miles of trail were renovated to sustainable standards during fiscal year 2008.

Target #4: Annually, replace 20% of the patrol vehicles and other aging equipment to ensure disaster preparedness, improve safety and reduce maintenance costs.

Status #4: Replaced 10 patrol/search and rescue snowmobiles and 4 all terrain vehicles and 2 boats in FY2008.

Analysis of results and challenges: Fifteen percent of patrol vehicles were replaced in 2008.

A2: Strategy - Provide opportunities for quality recreational activities that accommodate diverse user groups, meet visitors' present and future needs, and enrich the state park experience.

Target #1: Continue statewide survey effort to identify park and visitor needs.

Status #1: A statewide visitor survey was implemented in FY2008 throughout the park system. To date we have received over 100 surveys with comments. The most common complaint is dirty restrooms and the second is that facilities are in disrepair.

Analysis of results and challenges: The survey has been distributed and returned surveys are providing valuable information.

Target #2: Maintain affordability for park users as identified by 80% of park users.

Status #2: In FY2008, park fees remained the same as FY2007 because they are already at the upper limit identified by the public in the SCORP. During FY2009 a new Statewide Comprehensive Outdoor Recreation Plan is due that will once again address what the public believes is affordable and what they are willing to pay for park experiences.

Analysis of results and challenges: According to the current Statewide Comprehensive Outdoor Recreation Plan (SCORP) State Park fees are affordable to the visitors. A new SCORP analysis is currently in the planning phases. From this Parks will implement a system that maintains checks on the affordability to visitors and will provide specific percentages per year.

B: Result - Protect park visitors and natural and cultural resources.

Target #1: Provide trained staff to educate, inform, protect and give other visitor services in the parks.

Status #1: Have 77 field staff available to serve the public in the parks.

Analysis of results and challenges: Staff are unable to accomplish all tasks asked of them by the public.

B1: Strategy - Adequately train and equip Park Rangers, Natural Resource Technicians, maintenance workers managers and administrative staff to provide visitor and public safety services.

Target #1: Ensure all Rangers successfully complete basic law enforcement training within 1 year of hire. Train 29 law enforcement commissioned Park Rangers annually.

Status #1: All Rangers have successfully completed basic law enforcement training with 4 completing it in 2008. Twenty four Rangers completed refresher courses and 4 new Rangers completed field training.

Analysis of results and challenges: The increased cost of training makes keeping up with this level of training more and more difficult.

Target #2: Provide a minimum of three days of training annually for maintenance, administrative, managerial skills to staff

Status #2: Met this target in FY2008 through workshops and other training opportunities. Three days of training was provided to all staff.

Analysis of results and challenges: The increased cost of training makes keeping up with this level of training more and more difficult.

C: Result - Provide educational opportunities to enhance park visitors' experience.

Target #1: Expand educational programs in parks, schools and communities.

Status #1: This has not been a focus in the last few years due to lack of resources.

Analysis of results and challenges: Education is a major part of what is expected from Parks which we are unable to meet.

C1: Strategy - Provide training to park staff to improve skills

Target #1: Offer training in presenting professional interpretive programs.

Status #1: 1000 people are served through park interpretive programs, school programs or community programs.

Analysis of results and challenges: Interpretation of natural resources is mostly provided through signs with in person interpretation not possible due to lack of resources.

D: Result - Strengthen partnerships and engage new partners to achieve common goals.

Target #1: Support partners with staff time, funding and other resources

Status #1: Various non-profit "Friends" groups supported park programs through funding donations. Princess Corporation provides funds to support an educational program in Denali State Park.

D1: Strategy - Expand partnerships for South Denali Visitor Center, youth outdoor education and non-profit park support groups.

Target #1: Initiate the design and construction of the South Denali Visitor Center Complex in partnership with the National Park Service, DOT, the visitor industry, and the Mat-Su Borough.

Status #1: The funding for the road portion of this project was realized in the FY 2009 Capital Budget. The planning has begun with aerial topographical imaging taken to help design the location of the road and visitor center. Engineers are currently working with this information for their design. Further fund raising is also underway.

Analysis of results and challenges: South Denali Visitor Center is moving forward with the major challenge of raising the rest of the funding becoming more challenging.

Target #2: Work with the Municipality of Anchorage (MOA) and other agencies and organizations in providing more outdoor educational opportunities for youth.

Status #2: Process has just begun with organizing meetings in late FY2008.

Analysis of results and challenges: Lack of resources makes providing youth outdoor educational opportunities difficult.

Target #3: Encourage the development of local "Friends of Parks" groups as well as a statewide park foundation

Status #3: Three local "Friends of State Parks" groups have been developed and discussions are underway for developing a statewide park foundation.

Analysis of results and challenges: Lack of resources makes encouraging "Friends of Parks" groups difficult.

Component: Parks & Recreation Access

Contribution to Department's Mission

The Division of Parks and Outdoor Recreation provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment and welfare of the people.

Core Services

- Provide opportunities for park visitors to have an enjoyable recreation experience by providing clean, safe and well maintained parks.

End Result	Strategies to Achieve End Result
A: Provide clean safe and well maintained park facilities with good access to Alaska residents and visitors. <u>Target #1:</u> Maintain 123 park units accessible to nearly 5 million recreation visitor days annually. <u>Status #1:</u> In FY2008, nearly 5 million park visitors were hosted in the parks and two new park units were added to the park system. There are 8 parks in passive management which are open and available for public uses but have no amenities or active management.	A1: Address current \$64.5 million of deferred maintenance in order to provide for health, safety and better quality facilities to the public. <u>Target #1:</u> Keep deferred maintenance backlog growth under 3%. <u>Status #1:</u> This target has not been reached for the past two years. We are currently in the process of planning and contracting out for over \$5 million in deferred maintenance work which will meet the goal for FY10.
End Result	Strategies to Achieve End Result
B: Provide for the enhancement of recreational opportunities for Alaskans through the partnership and administration of federal and state grant programs. <u>Target #1:</u> 95% of the grants awarded address issues as outlined by recreational users in the 2004 SCORP. <u>Status #1:</u> 100% of the grants awarded in the past three years of addressed the issues outline in the 2004 SCORP. We are currently in the planning phase of the 2009 SCORP.	B1: Management of Federal Grant Programs. <u>Target #1:</u> Obtain and provide stewardship for Land and Water Conservation Fund, Forest Legacy, Coastal Wetlands and National Recreational Trail grants. <u>Status #1:</u> Two grants were issued for the Land and Water Conservation Fund, One grant for Forest Legacy, no grants were awarded for Coastal Wetlands and 29 Recreational Trail grants were awarded in FY08.
End Result	Strategies to Achieve End Result
C: Administer and Improve The Alaska Boating Safety Program. <u>Target #1:</u> Save lives through education and providing life jackets. <u>Status #1:</u> Over 17 documented occurrences where lives were saved through the Kids Don't Float Program.	C1: Manage Boating Safety Education Program to take advantage of benefits available to the state under 46 U.S.C. 13101-13110 and ensure qualification for funding under 46 U.S.C. <u>Target #1:</u> Train at least 20 new boating safety instructor candidates annually. <u>Status #1:</u> This target has been met. Twenty-seven new boating safety instructor candidates were trained in FY08.

	<p>Target #2: Provide 1000 life jackets annually to the "Kids Don't Float" program.</p> <p>Status #2: This target has been met. Over 4000 life jackets were ordered and delivered state-wide on Memorial Day Weekend.</p>
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Major Activities to Advance Strategies

- Increase revenue stream to level above operation needs.
- Partner with DOT/F&G to identify joint projects, alternative funding.
- Administer Parks Capital Improvement Program.
- Provide Engineering Support for maintenance and operations in the state park system.
- Implement policies and procedures for construction of park facilities.
- Oversee park site planning, engineering, construction, and development of interpretive programs.
- Promote ADA standards for rehab of existing facilities and for new construction.
- Partner with DOT to design and operate roadside safety rest areas in or adjacent to park units.
- Provide Recreational trail and snowmobile grant programs to local communities for trail construction and maintenance.
- Create a coordinated statewide trail system for all seasons with motorized and non-motorized trails for residents and the visitor industry.
- Provide protection for the existing trail system through easements acquisition and dedication.
- Planning and management assistance to recreation user groups, private industry, and other public agencies.
- Identify sufficient match funds to receive at least 80% of the federal funds authorized by the US Coast Guard for the state of Alaska for the boating safety program
- Administer the development of interpretive displays
- Oversee the interpretive developments in the site planning process
- Meet 100% of the statutory requirements of AS 05.25
- Qualify for at least 80% of the federal funds authorized by the US Coast Guard for the Boating Safety Program
- Produce educational materials and messages relevant to Alaska's urban and rural boaters.
- Produce boating safety education programs for children and other high risk groups.
- Train, certify, and support boating safety instructors.
- Provide regulatory interpretive assistance to agencies and the public.
- Provide for a state uniform waterway marking system.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$2,733,000

Personnel:

Full time	33
Part time	0
Total	33

Performance

A: Result - Provide clean safe and well maintained park facilities with good access to Alaska residents and visitors.

Target #1: Maintain 123 park units accessible to nearly 5 million recreation visitor days annually.

Status #1: In FY2008, nearly 5 million park visitors were hosted in the parks and two new park units were added to the park system. There are 8 parks in passive management which are open and available for public uses but have no amenities or active management.

Analysis of results and challenges: All 123 parks remained safe, open, available, and received almost 5 million visits on an annual basis. Forty-four facilities within twenty-five parks units are now managed by private contractors.

The challenges represented by private management are the issues of deferred maintenance at contracted facilities and Parks providing staff for law enforcement and contract management.

A1: Strategy - Address current \$64.5 million of deferred maintenance in order to provide for health, safety and better quality facilities to the public.

Target #1: Keep deferred maintenance backlog growth under 3%.

Status #1: This target has not been reached for the past two years. We are currently in the process of planning and contracting out for over \$5 million in deferred maintenance work which will meet the goal for FY10.

Analysis of results and challenges: This component is not on target. The inflation factor for the materials alone is 7% per annum. Deferred Maintenance is an on-going challenge for parks and has risen 10% during FY08. As items are repaired or replaced others rot, break or fall into disservice.

B: Result - Provide for the enhancement of recreational opportunities for Alaskans through the partnership and administration of federal and state grant programs.

Target #1: 95% of the grants awarded address issues as outlined by recreational users in the 2004 SCORP.

Status #1: 100% of the grants awarded in the past three years of addressed the issues outline in the 2004 SCORP. We are currently in the planning phase of the 2009 SCORP.

Analysis of results and challenges: For the third year in a row, all the grants awarded in 2008 addressed issues that were outlined in the 2004 SCORP as being important to the recreating public. Grant awards for 2009 are in the process of being reviewed.

B1: Strategy - Management of Federal Grant Programs.

Target #1: Obtain and provide stewardship for Land and Water Conservation Fund, Forest Legacy, Coastal Wetlands and National Recreational Trail grants.

Status #1: Two grants were issued for the Land and Water Conservation Fund, One grant for Forest Legacy, no grants were awarded for Coastal Wetlands and 29 Recreational Trail grants were awarded in FY08.

Analysis of results and challenges: o Parks awarded \$1,127,400 in 29 recreational trail grants.

o Park awarded \$258,900 in 11 Snowmobile Grants.

o Parks entered final phase of FY04 Forest Legacy Projects. These projects can take up to five years to complete.

o Parks is actively working on a National Oceanic and Atmospheric Administration grant. This grants is expected to be completed at the same time as the FY04 Forest Legacy Grants.

C: Result - Administer and Improve The Alaska Boating Safety Program.

Target #1: Save lives through education and providing life jackets.

Status #1: Over 17 documented occurrences where lives were saved through the Kids Don't Float Program.

C1: Strategy - Manage Boating Safety Education Program to take advantage of benefits available to the state under 46 U.S.C. 13101-13110 and ensure qualification for funding under 46 U.S.C.

Target #1: Train at least 20 new boating safety instructor candidates annually.

Status #1: This target has been met. Twenty-seven new boating safety instructor candidates were trained in FY08.

Analysis of results and challenges: The Boating Safety Program did meet this goal during FY08. The Boating Safety Program has also met all requirements and obligation of the US Coast Guard grant. The Boating Safety Office is currently in the process of creating a comprehensive training curriculum that will be available statewide.

Target #2: Provide 1000 life jackets annually to the "Kids Don't Float" program.

Status #2: This target has been met. Over 4000 life jackets were ordered and delivered state-wide on Memorial Day Weekend.

Analysis of results and challenges: Alaska State Parks has exceeded its target for the fifth year in a row. Since the trend continued in FY08 the target will be analyzed and readjusted to reflect a new goal. The Boating Safety Office is preparing to complete an assessment of need for the 2009 season.